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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF JANUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of January, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

Charlotte Berk (arrived 4:15 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Louise Pugh, Ella Jone Ramons, Robert Reece, Samuel Wright, Western Addition Senior Citizens Center; Ocie Mae Rogers, Hunters Point; Mel Nule, PINC; Ed Malone, Oliver Brothers Glass; Alex Lodde, Hollis Court Homeowners Association.

Representing the press was: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of November 5, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) Commissioner Berk will be sworn in tomorrow, January 8 at 11 a.m. in the Mayor's Office, Room 200, City Hall.
- (b) A former Redevelopment Agency Commissioner, Stanley Jensen passed away on December 16. Mr. Jensen served during the administrations of Mayors Shelley and Alioto. He also held many important posts in the labor movement. It is suggested that this meeting be adjourned in memory of Mr. Jensen.

UNFINISHED BUSINESS

- (a) Resolution No. 380-85 requests authorization to expend additional funds, not to exceed \$5,064.76, in connection with the temporary accommodations of Jerry and Johnny's located at 105 Third Street in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. This item was continued from the meeting of December 17, 1985, at which time the Commission requested further details on the nature of the services performed by the attorney representing Jerry & Johnny's, Mr. James T. Johnson, who was retained by the owners in November 1984, when the move to 105 Third Street was first proposed. The initial nature of Mr. Johnson's work included evaluating the Agency's relocation proposal, discussing what costs the Agency would be responsible for and reviewing relocation regulations with respect to his client's rights. He also provided a detailed written analysis of the proposal to move the business to a new location. For these preliminary services, a bill was submitted in March 1985 totalling \$1,500 for 12.5 hours at an hourly rate of \$120. The owners continued to utilize the services of Mr. Johnson after they agreed to move the business to 105 Third Street. This work involved reviewing all plans and specifications for renovation; reviewing the bid documents to the physical move; and reviewing the rental agreement. He also handled the transfer of the liquor license and the operating permits to the new address. Following the death of Mr. Hanson in June 1985, Mr. Johnson's efforts became extremely important in getting timely decisions made regarding the relocation. For these specific services, a bill was submitted in August 1985 totalling \$2,868.49. A detailed explanation regarding the charges was contained in a letter dated September 5, 1985. 1.75 hours were deleted from this billing when staff concluded that this time was for legal services more directly related to the affairs of Mr. Hanson's death. With regard to the liquor license, it was difficult to differentiate between what legal work was directly related to the relocation of the business, as opposed to legal work performed in connection with removing the deceased Mr. Hanson's name from the license. It should be noted that Mrs. Hanson relied heavily on Mr. Johnson's guidance and counsel and, in reviewing the billings, staff found him to be

UNFINISHED BUSINESS (continued)

extremely helpful in effecting a potentially difficult relocation, originally projected to cost approximately \$72,000. It is therefore considered equitable to effect payment of \$4,123.49 in legal fees and \$941.27 in various miscellaneous costs for a total of \$5,064.76.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 380-85 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 1-86 requests authorization to extend Exclusive Negotiations until July 8, 1986, with the Western Addition Senior Citizen's Center Inc. (WASCC) for Parcel 780-H located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In September 1985 exclusive negotiations were authorized for the construction of a senior citizen's center by WASCC which is a non-profit organization that provides meals and other services to senior citizens living in the Western Addition. Following demonstration of site control, WASCC has been allocated \$250,000 by the Commission on Aging and \$150,000 by the Mayor's Office of Community Development. Commitments of approximately \$100,000 have been received from other sources to cover the estimated \$1.2 million cost. Substantial progress has been made to satisfy submission requirements of the exclusive negotiations and the proposed extension will permit time to complete these submissions and finalize an LDA.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-86 BE ADOPTED.

- (b) Resolution No. 2-86 requests authorization to extend Exclusive Negotiations, until July 8, 1986, with the Parent-Infant Neighborhood Center, Inc. (PINC) for Parcel 724-A(1) located on the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In September 1985 exclusive negotiations were authorized for the construction of a center to accommodate up to fifty infants, an increase of more than fifty percent from its existing facilities in Banneker Homes. At the time exclusive negotiations were granted, \$226,000 had been raised and an additional \$125,000 has since been allocated by the Mayor's Office of Community Development for a total of \$391,000 which is forty percent of the \$1 million estimated construction cost. PINC has retained the services of a

NEW BUSINESS (continued)

fundraiser to generate the interest of some Foundations and is confident of favorable responses. Substantial progress has been made to satisfy submission requirements of the exclusive negotiations and the proposed extension will permit time to complete these submissions and finalize an LDA.

Mr. Alex Lodde, representing the Hollis Court Homeowners Association, noted the concerns of the Association, which included increased traffic with attendant parking problems, the noise factor, and non-conformity with the Victorian architecture of the existing homes. He requested that the matter be tabled for two weeks in order for the Association to prepare a more complete presentation than was available today.

Ms. Berk arrived at this time, 4:15 p.m.

Mary Rogers expressed support of PINC's proposal in view of the need for child care facilities.

Mr. Newman inquired as to whether there had been any communication between PINC and the Association since exclusive negotiations were authorized in September 1985. Mr. Lodde indicated that, as he understood it, the Association had not been in communication specifically with PINC, but had appeared before the Commission previously. Efforts had been made to ascertain exactly what is planned and to have some input into the type of architecture. Mr. Newman said he appreciated the Association's position, but found it difficult to understand the request to hold the project up when considering the length of time that had elapsed since exclusive negotiations had been granted, especially if there had been no direct communication between the Association and PINC.

Mr. Commons inquired as to whether the Association had voiced objections at the time exclusive negotiations were authorized. Mr. Gene Suttle, Project Director for Western Addition A-2, indicated that following notification letter, a meeting had been held on August 29, 1985 when all elements of the program were presented. The meeting was attended by staff and board members of PINC, Inc. architects, together with members of the St. Francis Square Association and the Hollis Court Homeowners Association. Since then nothing had been received in writing, however, Mr. Suttle indicated he would be pleased to arrange another meeting so they could be updated on the current status. He stated that the minutes of September 3, 1985 reflect that Mr. J. McLaughlin, representing the Hollis Court Homeowners Association, indicated to the Commission that the Association considered the proposed institutional use of the parcel inappropriate and would prefer to see it remain as "open space" or for "residential use".

NEW BUSINESS (continued)

Mr. Hamilton pointed out that inaction would mean the expiration of the exclusive negotiations and PINC would be without the leverage necessary to fund-raise or be in the position of continuing to expend money in meeting design requirements on a site for which they have no commitment.

In reply to Mr. Newman's inquiry, Mr. Leo Borregard, Agency General Counsel, indicated that, upon the conclusion of successful negotiations, the LDA would require a public hearing before final action. At this time an opportunity would be offered to voice any objections.

Mr. Mardikian expressed the hope that the meeting Mr. Suttle had indicated he would schedule would result in the neighbors not necessarily appearing in opposition at such time as the LDA comes before the Commission, if their concerns had already been addressed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-86 BE ADOPTED.

- (c) Resolution No. 3-86 requests authorization to expend \$6,812.99 and ratification of a prior expenditure of \$3,479.32, a portion of such funds, to Oliver Brothers Glass Company for repairs and replacement of windows at the Agency-owned building located at 1899 Bush Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. This approximately 4,482 square foot building contains a single commercial tenant, Yamato Auto Repair. As a result of construction activities, which commenced in early 1984 on the adjacent property, the 1899 Bush Street structure settled, causing damage, including the breakage of a number of windows. On Christmas Eve 1984 the tenant called and complained that the broken windows created a health and safety hazard, due to the cold temperatures and rainy weather. Since staff was already aware that some of the windows needed to be repaired and/or replaced, Oliver Brothers was requested, by telephone, to make the necessary repairs. However, rather than correcting the more serious problems, they replaced 61 of the approximately 175 windows on the north side of the building. Staff was not aware of the amount of work done until a bill for \$6,812.99 was received in February 1985. Since it was felt that those responsible for the work on the adjacent property were liable for a portion of the window damage, the Agency's Legal Department initiated discussions with the contractor's insurance company. Although it is not uncommon for such contractors who are regularly used in property management operations to verify major assignments, Oliver Brothers did not contact the Agency prior to running up this large bill which exceeds the Agency's standard monthly work order of an amount of \$990. Subsequently, a total of \$3,479.32 was paid in three installments over a six

NEW BUSINESS (continued)

month period which is contrary to the standard Agency practice of seeking Commission approval for payments over \$1,000 and appropriate steps have been taken to prevent further similar occurrences. Upon comparing the charges by Oliver Brothers with other glass companies, it has been determined that the rates and costs are reasonable. Oliver Brothers, a minority contractor located in San Francisco, has performed work for the Agency for over ten years and the delay in the payment of the balance of \$3,333.67 has caused the firm some hardship. It is therefore proposed that this balance be paid by the Agency with reimbursement for all damages occasioned by the adjacent construction activities to be pursued. A request to pay Oliver Brothers this amount was tabled on October 29, 1985, to allow staff time to obtain a more precise analysis of work performed and a more detailed itemization of costs which has now been accomplished.

Mr. Commons inquired whether it is intended to maintain and operate the building for a considerable period of time or if it is to be demolished sometime in the future. Mr. Gene Suttle, Project Director of the Western Addition A-2, outlined the background of the tenant of the building, Mr. Dobashi, a long term resident and businessman of the Western Addition. At the present time an offer from the adjacent old Jewish Synagogue at 1881 Bush Street is presently being considered, however, finalization of the rehabilitation plans could take two years and it would be the summer of 1988 before Mr. Dobashi would be displaced. It should also be noted that an offer could be forthcoming from Mr. Dobashi, together with financial partners, to develop residential units on the parcel. With regard to the glasswork that had already been performed, Mr. Leo Borregard, General Counsel, indicated that there is a lawsuit on file against the contractor and related parties for this and other items of damage.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-86 BE ADOPTED.

- (d) Resolution No. 4-86 requests ratification of an extension of the On-Target Delivery Service contract from December 31, 1985 through January 7, 1986, and authorization to further extend the contract through February 4, 1986.

Mr. Hamilton reported on item (d) as follows. The Commission was advised on December 10, 1985, that On-Target's services had been suspended, effective December 6, 1985, because of a breach of contract insurance requirements. As a consequence, the Executive Director was authorized to review and amend the insurance requirements of the contract, resulting in the services being reinstated effective December 30, 1985 through January 7, 1986, at the current rates, in order to provide continued services.

NEW BUSINESS (continued)

The Comprehensive General Liability requirements of the the contract were subsequently reduced to a combined single limit of \$100,000. Although evidence of the required insurance coverages are now in place, it is proposed to extend the contract through February 4, 1986, to provide sufficient time to negotiate a new twelve month contract. During this time, staff and the Agency's insurance consultant will further review the requirements to set appropriate levels of insurance coverage. Also, the level of payment for the services will be negotiated, taking into consideration the cost of the required insurance coverages. When concluded the new contract will be brought before the Commission for review.

Mr. Adolph Philoxene, on Target Delivery Service, expressed his appreciation to all concerned for their assistance in having the contract reinstated. He outlined the problems he faces in maintaining the level of insurance required and requested a rate increase be taken into consideration when preparing the new contract in order to assist in meeting the high premiums. Mr. Hamilton noted there had apparently been a rather extraordinary increase in the amount of the premiums and Mr. Philoxene provided details of the costs involved. It was agreed that the increase in the insurance premiums be further reviewed by Mr. Hamilton, to be followed by a recommendation to the Commission.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-86 BE ADOPTED.

- (e) Resolution No. 5-86 requests authorization for Helen Sause, YBC Project Director; Thomas Conrad, Chief, Planning and Programming; and James Wilson, Project Director, Hunters Point-India Basin, to attend the NAHRO Bi-Chapter Conference, January 23-24, 1986, at Monterey, California at a cost not to exceed \$775.

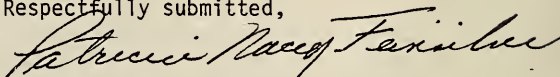
Mr. Hamilton reported on item (e) as follows. Ms. Sause would attend as guest speaker and NAHRO Senior Vice President; Mr. Conrad would attend as a panel moderator and participate in a meeting of the Executive Board; and Mr. Wilson would serve as panel moderator, participate in a meeting of the Executive Board and serve as Program Chair.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-86 BE ADOPTED.

ADJOURNMENT:

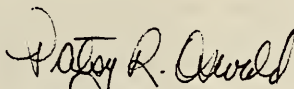
It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned in memory of Mr. Stanley Jensen. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patricia Feinsilver  
Acting Secretary

Edited by



Patsy R. Oswald  
Secretary

APPROVED

February 25, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF JANUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of January, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle (arrived 4:09 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Mary Helen Rogers, W.A.A-2; Nolan Frank, Arnold Townsend, Jack Robbins, Arthur Silvers, Essie Collins.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) Charlotte Berk was sworn in by the Mayor today at 11:00 a.m. for a third term as a Commissioner of the Redevelopment Agency.
- (b) The office will be closed next Monday, January 20 in observance of Martin Luther King's Birthday.
- (c) Ribbon cutting ceremonies are being held by L & L Enterprises (LaVolia Baker) on Wednesday, January 22 at 11:30 to celebrate the completion of McAllister Street Manor, a mixed-use development at 685-691 McAllister Street.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (d) The Agency will be holding a luncheon for Mary Cathrell who has retired after almost 32 years of service. The date of this momentous occasion is January 31 at 11:30 at Fort Mason's Officers Club.
- (e) Mr. Hamilton introduced a new staff member, Ms. Elena Fediuc, architect, who has been assigned to the Western Addition A-2 project area.

Mr. Arnelle arrived at this time, 4:09 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 780-E in the Western Addition A-2.
- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 1102-A in the Western Addition A-2.

President King opened the Public Hearings to hear all persons interested in these matters.

Resolution No. 6-86 authorization of an LDA with Jack Robbins, F.A.I.A. Architect Urban Design, Inc. for the parcel located on the west side of Webster between Fulton and McAllister Streets in the Western Addition A-2.

Resolution No. 7-86 requests authorization of an LDA with Jack Robbins, F.A.I.A. Architect Urban Design, Inc. for the parcel located on the west side of Broderick between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on items (a) and (b) as follows. In April 1985 exclusive negotiations were authorized for construction of three market-rate residential condominiums on one parcel and two units on the other. The Performance Schedule for both LDA's calls for submission of evidence of financing by November 19, 1986 and conveyance of the site by December 17, 1986.

There being no persons wishing to appear in connection with these matters, the President declared the public hearings closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-86 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 8-86 requests authorization to extend exclusive negotiations, until April 16, 1986, with Janet Roche, Daniel Solomon and Allan Cadgene for Parcel 1100-D(1) located on the east side of Beideman Place between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In October 1985 exclusive negotiations were authorized for the construction of twelve condominiums. Since that time a satisfactory affirmative action plan and schematic drawings have been submitted. However, satisfactory evidence of equity capital has not been submitted. In this connection the developers have reached a tentative agreement with a joint venture partner, but more time is needed to complete these negotiations, resulting in the requested ninety day extension.

President King noted that although he had no monetary interest and would not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-86 BE ADOPTED.

- (d) Resolution No. 9-86 requests authorization of a Third Amendatory Agreement, which increases the number of units from 15 to 20 and reduces the commercial space from 2,000 to 1,200 square feet to the LDA with Nolan Frank for the Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In October 1984 an LDA was authorized for the construction of fifteen market rate residential condominiums and 2,000 square feet of retail space. In May 1985 a First Amendatory Agreement extended the submission dates by ninety days to allow time to revise the design of the development and the services of architect Arthur Silvers were retained to make the necessary cost changes. However, the LDA was placed in default when the submission date for final construction documents was not met. During the thirty day cure period, concept drawings were completed which staff felt was an acceptable approach. In accordance with a revised performance schedule approved in October 1985, new schematic plans for a 17 unit development were submitted on November 6, 1985 which were tentatively approved by staff, since the LDA indicated "approximately 15 units". On January 2, 1986, new revised schematic drawings for a 20 unit development were submitted by architects, Stoller Partners, with whom Mr. Silvers is associated. A reduction in the commercial space from 2,000 to 1,200 square feet adds three studio units with 10 one-bedroom, 6

NEW BUSINESS (continued)

two-bedroom and 1 three-bedroom units being retained as planned. Changes to the Ellis Street facade only will be necessary to accommodate the three studios. The proposal is in compliance with the Redevelopment Plan and is compatible to surrounding properties. The change in design will not affect the dates of the Performance Schedule and the developer has been informed that if the absolute conveyance date of April 30, 1986, is not met then the land will be subject to re-appraisal. Language to this effect was added to the Second Amendatory Agreement.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-86 BE ADOPTED.

- (e) Resolution No. 10-86 requests authorization of a Third Amendment to the Personal Services Contract with Ramseyer Zerbst & Company, for Financial Analysis Services in Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. The proposed amendment would modify the insurance requirements by not requiring Errors and Omissions Insurance for six months and would extend the time of performance through April 5, 1987. In April 1983 an initial contract was approved for \$25,000. This contract was subsequently amended twice to increase the contract amount by \$30,000 and \$25,000 respectively for a total of \$80,000 and extended the time of performance up to April 5, 1986. The contractor has assisted in the evaluation of proposals on a number of projects including Rincon Center, General Atlantic/Forest City and R.J. Nathan/SBMA, LTD, the South Beach Harbor and the lease option agreement with the Port of San Francisco. In the near future it is anticipated that assistance will be required for the evaluation of development proposals for two seawall lots, refinements in the feasibility analysis for Pier 40 and upcoming Owner Participation Agreements for Sites G, H and L. The contract requires that the contractor provide insurance in an amount of \$250,000 for damages resulting from errors, omissions or negligence in professional services. By letter dated January 8, 1986, Ramseyer Zerbst advised that they have been unable to renew their policy and are endeavoring to obtain this coverage, which provides the Agency with protection from dollar exposure due to errors and omissions relative to consultant reports, opinions, etc. However, because the services provided by Ramseyer Zerbst for economic analysis are so carefully reviewed by staff, exposure is minimal and it is therefore proposed to continue to contract without this insurance for six months to provide the consultant sufficient time to secure this very difficult to obtain coverage. It is also proposed to extend the contract from April 5, 1986 to April 5, 1987 in order to meet the demands of the projected workload for 1986. A balance of approximately \$27,000 remains unexpended out of the \$80,000 contract amount.

NEW BUSINESS (continued)

Mr. Newman inquired whether the services are contracted for on a project basis or an hourly basis and if staff is satisfied with their work. Mr. Frank Cannizzaro, Project Director for Rincon Point-South Beach, indicated that a work order is issued when needed. The charges are billed on a time and materials basis and are considered to be reasonable. The current rate is \$75 an hour and staff is satisfied with the firm's work.

Mr. Commons inquired if the services that were being contracted are on Agency projects rather than projects that are being developed by a third party. Mr. Cannizzaro indicated that the contractor looks at the financial aspects of projects developed by third parties which the Agency has an obligation to review and comment on. Any matter relative to Rincon Point-South Beach brought before the Commission with a financial implication has to be judged as to whether or not it is reasonable. The services of Ramseyer Zerst are used to make that analysis and compare what is received with current market conditions or to analyze the economic benefits of the proposal.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-86 BE ADOPTED.

- (f) Resolution No. 11-86 requests authorization of an amendment to Section V.G. of the Agency Personnel Policy which converts Lincoln's Birthday from a fixed holiday to a third (floating) personal leave day.

Mr. Hamilton reported on item (f) as follows. During the re-negotiation of the Agency's two union agreements in 1983, it was agreed that for a two year period the fixed Lincoln's Birthday as a holiday would be converted to a third floating holiday on a trial basis. This arrangement was made to determine the reaction of staff and its impact on the Agency so that a final decision could then be made as to whether it should be continued. With a few exceptions, this increased flexibility has been well received by staff. In addition, the two unions are also in agreement with continuing the third floating holiday, which it is considered will have no negative effect upon the Agency's operations.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-86 BE ADOPTED.

- (g) Resolution No. 12-86 requests authorization for Helen Sause, YBC Project Director, to attend the NAHRO Legislative Conference, the Board of Directors' meetings and related meetings, January 31-February 5, 1986, in Washington, D.C. at a cost not to exceed \$950.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. The Legislative Conference will focus on keeping housing and community development programs viable in view of the proposals of Congress and the Administration in 1986 and NAHRO will work to minimize the impact of pressure upon them for cuts in program funding and monitor proposals affecting housing and community development policy and legislation. The Conference also provides an opportunity for Administration policy-makers, experts on the legislative scene, and public-interest group representatives to share with the Conference participants their insights and the best information available on a number of important questions affecting the Agency's programs. Ms. Sause's hotel accommodations will be paid by NAHRO and the cost to the Agency, including registration, airfare and per diem, will not exceed \$950.

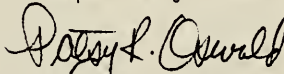
Mr. Newman requested projected costs of NAHRO participation by staff in the coming years and Mr. Hamilton indicated that this information would be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

February 25, 1986

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF JANUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of January, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnette (arrived 4:26 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers, WA; Cesar Pelli, and Siah Armajani, Cesar Pelli Associates; Russell Jordan, Marriott; Marvin Richman, Roy Willis, Joe Madonna, Olympia & York; Tony Lunsden, Architect; Patricia Mitchell, Michaela Cassidy, Noji Ari, Michael Levin, Mario Ciampi.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Marshall Kilduff, Alan Temko, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) L. & L. Enterprises will be holding their Ribbon Cutting ceremonies on January 22 at 11:30 a.m. at 685-691 McAllister Street.

NEW BUSINESS

- (a) Presentation by YBG Associates and Architect Cesar Pelli, of the Schematic Drawings for the Office Building in Central Block (CB-1) of Yerba Buena Center, including a significant rooftop sculpture, designed by Siah Armajani.

NEW BUSINESS (continued)

Mr. Lee noted his concern about the exterior treatment, which had been shown in several different colors and requested that when the architect is ready that the actual colors be set-up for presentation to staff and the Commission. Mr. Lumsden indicated that this would be arranged.

Mr. Arnelle inquired if there had been a final selection with regard to the colors of the glass and the skin and the texture of the building. Mr. Lumsden indicated that samples were being worked with, however, a final selection has not yet been made.

Mr. Mardikian noted that careful consideration should be given to the Agency Design Consultants' concerns, as outlined in item number 10 in a memorandum to the Commission. He added that both the buildings, but the hotel in particular, are really handsome and are going to serve the City well.

Mr. Newman indicated that it was his understanding that action taken today was approval of the preliminary construction documents only and had no reference to the interior of the building and Mr. Hamilton, indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-86 BE ADOPTED.

- (c) Resolution No. 14-86 requests consideration of the individuals recommended by the Nominating Committee to form the Yerba Buena Center's Cultural Facility Entity and to serve on the Board, Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. A Nominating Committee who provided recommendations of persons for the Commission to consider in constituting the initial YBC Cultural Operating Board consisted of Patricia Mitchell, Chairperson; Belva Davis, Helene Fried, Anne Halsted, Peter Henschel, Dr. Richard LeBlond and Martin Paley. The proposed composition of the 22 member board is for 17 persons to be appointed at large, two to be appointed by the Agency and two by the Developer. The Mayor would also serve as an ex-officio voting member on the Board. The Developer has advised that Marvin Richman, President of Olympia and York and Joseph Madonna, General Manager of YBG Associates will serve as the two developer representatives. Staff has worked closely with the Committee and commends their report to you for your consideration. Their recommendations reflect the diversity of the cultural community in this City and the strengths needed for an effective Board. There are 15 at-large nominees who have

NEW BUSINESS (continued)

indicated their willingness to serve, which means there are remaining positions to be filled before the full complement is available. The Agency commends and deeply appreciates the time and effort the Committee has given to this task.

Patricia Mitchell thanked the Commission for the opportunity of chairing the Nominating Committee and introduced those members present. After many months of meetings a list has been compiled of persons whom it is believed reflect the community and the arts that Yerba Buena Center is intended to serve.

Ms. Micheala Cassidy requested clarification regarding the full complement and inquired when work would begin on the issues. Mr. Hamilton indicated that the Commission is desirous of having the full complement of twenty-two persons in place before the work begins. It is therefore intended to move as rapidly as possible to identify the remaining participating members.

Ms. Berk indicated that the Commission is greatly indebted to the Nominating Committee for their efforts and also to those persons who have agreed to serve. They have an awesome task before them and it is hoped to look back one day on this as the beginning of a unique and fabulous happening in San Francisco at a time when all have had an opportunity to contribute. Mr. King indicated that Ms. Berk had very adequately expressed the sentiments of all the Commissioners.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-86 BE ADOPTED.

- (d) Resolution No. 15-86 requests authorization of Conditional Approval of Harrison Plaza Associates' Preliminary Construction Documents for Parcel 3751-P located at the northeast corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. An LDA, authorized in April 1985 with Brighton Associates, was subsequently assigned to Harrison Plaza Associates in October 1985. It is proposed to construct a six story office building of approximately 70,249 square feet of occupied floor area with 140 underground parking spaces. The building complies with the eighty-foot height limit in this area. Preliminary construction documents were submitted on November 1, 1985.

Mr. Walter Yanagita, Senior Architect, outlined staff's concerns, which it is considered can be successfully addressed during the final construction document phase.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-86 BE ADOPTED, SUBJECT TO SATISFACTORY RESOLUTION OF DESIGN CONCERNS.

- (e) Resolution No. 16-86 requests authorization to write-off three delinquent vacated accounts in the amount of \$2,315 in Yerba Buena Center and Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. The Agency's Rental Policy and Federal Regulations provide for write-off delinquent accounts when there are no reasonable prospects of collection. The subject accounts all fall under this category and have been included in those sent to the collection agency, Transworld Systems, Inc., since the last write-off in July 1985. Although payments may be received in the future on accounts remaining with the collection agency, accounting procedures require that they be written off at this time. Rental accounts are regularly monitored by staff and contact made with delinquent tenants which generally results in full payment being made or instigation of a payment schedule. Rent collection for all projects continues to average over eighty percent.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-86 BE ADOPTED.

- (f) Resolution No. 17-86 requests authorization to amend Resolution No. 331-85, which authorized an LDA with Fillmore Center Developers for Parcels 707-A, 726-A, 731-A and 750-A located between Fillmore, Steiner, Geary and Turk Streets; Parcel 749-C located at the southeast corner of Fillmore and Eddy Streets; and a portion of Ellis Street in the Western Addition A-2.
- (g) Resolution No. 18-86 requests authorization to amend Resolution No. 333-85, which authorized an LDA with Western Commercial Partnership 1 (WCP) for Parcel 708-B located on the south side of Geary Boulevard between Fillmore and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on items (f) and (g) as follows. Both LDA's which were authorized on November 19, 1985, specified that the effective date would be the date the Commission approved the LDA, unless otherwise specified. Although another date for the LDA with Fillmore Center Developers was not specified, it was specified that the effective date for the WCP LDA shall be when the Amendment to the Easements with Covenants and Restrictions affecting Land (ECR) is executed by Safeway stores and the Agency. This amendment was recorded on December 9, 1985 and various documents involved refer to each LDA as being dated and effective December 16, 1985. It would be very difficult to change

NEW BUSINESS (continued)

the LDA date references contained in other documents, particularly those relating to bonds, and it is therefore considered appropriate to amend the subject resolutions to specify December 16, 1985 as the effective date of each LDA.

This action will not materially affect the substance of either LDA or materially increase the obligations of the Agency. The proposed amendments would extend certain performance dates and the LDA absolute conveyance date by twenty-seven days for Fillmore Center Developers and by seven days for WCP.

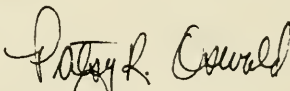
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-86 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

March 4, 1986



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF JANUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of January, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle (arrived 4:10 p.m.)  
Haig G. Mardikian (arrived 4:30 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers, Michael Levin.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress, Alan Temko, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of July 23, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 12, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of November 26, 1985, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) The Ribbon Cutting ceremonies for L & L Enterprises (La Volia Baker) for the building rehabilitated at 685-691 McAllister Street was very successful and attended by Supervisor Kennedy, Commissioners King and Berk, HUD officials, and Agency staff who all made this venture possible. It is quite a beautiful building and a welcome addition to the rental resource for the City.
- (b) Mary Cathrell's retirement party will take place this Friday at Fort Mason's Officer's Club. After 32 years of service with the Agency, staff, Commissioners, family and friends are looking forward to wishing Mary a well-deserved retirement.

Mr. Arnelle arrived at this time 4:10 p.m.

NEW BUSINESS

President King indicated that at staff request, item (i) would be taken up at this time.

- (i) Resolution No. 27-86 commends and expresses appreciation to Mary A. Cathrell for her services upon the occasion of her retirement from the Redevelopment Agency.

At this time Ms. Patsy R. Oswald, Agency Secretary, read the resolution into the record and Ms. Berk addressed Ms. Cathrell as follows: "I cannot tell you how much all the Commissioners will miss you as you have been the hallmark of friendliness for the Agency. Knowing the public reached you first was a wonderful feeling and your service was something rare and precious to all of us. Thirty-two years of fabulous service is really a record. On behalf of the Commission I would like to thank you for your many years of service and convey best wishes for the future".

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-86 BE ADOPTED.

- (a) Public Hearing to hear all persons, interested in an exception to the Height Limit for Block 3706 located on a portion of the block between Mission, Market, Third and Fourth Streets, Yerba Buena Center.

President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 19-86 requests Granting of a Height Limit Exception from the Standards for Development of the Yerba Buena Center Redevelopment Plan (Plan) for a Sculptural Design Element of an Office Building to be constructed on a portion of Central Block I in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. This element is the result of a collaborative effort of the renowned sculptor, Siah Armajani and the building's distinguished architect, Cesar Pelli, who informationally presented the schematic drawings and the model of the Office Building at the regular meeting of January 21, 1986. Its highest point is approximately 127 feet above the Plan's permitted 400-foot height limit. The element is similar in character to the Plan's height limit exempt features for public and religious structures. However, since it is not clearly within expressed stated height exemptions, a Plan Exception is required. Although the element is approximately 127 feet in height, to provide some flexibility, the proposed Exception Resolution caps the height at 530 feet. The Exception is also conditioned upon the conveyance of the Office Building site to YBG Associates. Two modifications are suggested to the proposed height limit exception resolution. The first modification expands Recital E on page 2 to include the Union Square Shadow Study. It includes the Commissions findings and determination that, based upon consideration of the Shadow Study, the shadow impact on Union Square would be insignificant. In summary, the study indicates that the shadow of the building without the top is 2.5% of the total yearly daylight hours. With the top, the shadow increases by 0.3% or a total of 2.8% and, further, the shadow falls exclusively in morning hours between sunrise and 8:55 a.m. and it never covers more than 10% of the Square. In addition, the shadow does not begin to affect the Square until October 2nd and then ceases to affect the Square by March 13th, which is during the inclement or rainy season. Since the actual shadow percentage would be reduced considerably because it is coincident with overcast days wherein there would be no shadowing effect, it is therefore believed to be insignificant. The second modification is to Section 3 on page 6, which emphasizes that the exception is for a sculptural element that the Agency has approved after review of the design and construction documents by staff and the Commission. While the recently enacted Downtown Plan does not apply to YBC or other Redevelopment Projects, this element is in keeping with the Plan's concepts to enhance the City's skyline. A study by Mr. Dean Macris Director of City Planning, and his staff directly expressed the desire to see very distinguished and unique caps and tops of buildings on the skyline. The sculpture has a distinctive quality, which is harmonious with the adjacent buildings and conforms to the urban concepts of the Plan. City Planning staff, the head of the San Francisco Museum of Modern Art, the Agency's architects and design consultants all support the sculptural element and share the opinion that it will provide the City with a landmark building and mark the entrance to Yerba Buena Center in a significant manner.

There being no persons wishing to appear regarding this matter, the President declared the public hearing closed.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-86 BE ADOPTED.

- (b) Resolution No. 20-86 requests Conditional Approval of the Schematic Drawings to YBG Associates for the Office Building development on Central Block 1 in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. The Basic Concept Drawings for Yerba Buena Gardens were approved in October 1984 and in June 1985, the Commission approved Cesar Pelli and Associates as the Design Architect for the buildings' subsequent design phases. This 750,000 square foot office building has 30 stories of office with retail and building lobby at street level and an additional 36,000 square feet of non-office related retail space. There is also a below-grade, three-level garage for about 160 spaces as well as separate loading and service facilities. The height of the building and its sculptural element were discussed in item 9(a). It is believed that staff's design concerns, can be successfully addressed during the preliminary construction document phase of design work..

Mr. Michael Levin commented on this item.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-86 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel DD-2; Hunters Point.

President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 21-86 requests authorization of an LDA with A.T.A.P. International, Inc. for the parcel located on the south side of Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point.

Mr. Hamilton reported on item (c) as follows. In October 1985 exclusive negotiations were authorized for the construction of thirty-three single family homes, each with a finished garage. The estimated selling prices range from \$120,000 to \$140,000. The LDA Performance Schedule calls for submission of evidence of financing by November 19, 1986 and conveyance of the site by December 17, 1986.

There being no further persons wishing to appear regarding this matter, the President declared the public hearing closed.

ADOPTION: IT WAS BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-86 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 22-86 requests authorization of a Revised Contract for Architectural Design Services with Robert Herman Associates for twenty Expandable Homes in Hunters Point.

Mr. Hamilton reported on item (d) as follows. A contract was authorized in December 1985, and Mr. Herman subsequently requested a change in the indemnity provisions, since he was unwilling to indemnify the Agency against claims for which architects cannot customarily obtain insurance coverage. A revised contract has been prepared, under which the architect's indemnification of the Agency relating to his professional services shall only apply to liability arising from his negligence or wrongful conduct, rather than all liability arising from the architect's services, regardless of responsibility for negligence. The revision would bring the contract into conformance with the indemnity provisions normally used in contracts for architectural services within the City and County of San Francisco. All other aspects of the contract would remain as originally authorized.

Mr. Mardikian arrived at this time, 4:30 p.m.

David Oster, Assistant Agency Counsel, indicated that the subject resolution amends the indemnification language of the contract only and does not change the insurance requirements or compensation.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-86 BE ADOPTED.

- (e) Resolution NO. 23-86 requests authorization of an expenditure, not to exceed \$1,900, for roof Repairs by R & B Roofing to 1941 O'Farrell Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. In July 1983, Adam and Sandra Hutchins purchased this unit under the Affordable Condominium Program and since the preconveyance inspection revealed interior damage due to roof leaks, the Agency accepted responsibility for repairing the leaks and the interior damage as a condition of sale. The original roofing contractor performed this work under the two year warranty still in effect, however, additional repairs were again required in April 1984 at a cost of \$160, which held through the 1984-85 winter. When the first rains in November 1985 produced additional leaks, repairs were made by a firm contracted by Mr. Hutchins at a cost of \$650, following which the same contractor was called back to repair further leaks. As this repair work did not achieve the desired results and further leaks were reported on January 6, 1986, staff has concluded that the best way to meet the Agency's obligation would be to re-roof the entire building. Bids submitted from three contractors range from \$1,450 to \$6,250. The bid from

NEW BUSINESS (continued)

R & B Roofing in an amount of \$1,900, which proposes installation of new metal flashing in the valley and new layers of roofing material over the entire roof, appears to most adequately cover the work required at a reasonable cost. This contractor has performed satisfactory roofing work in at least two other Agency rehabilitation projects and their proposal provides for a three year warranty.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-86 BE ADOPTED.

- (f) Resolution No. 24-86 requests authorization of a First Amendment to the Personal Services Contract with Rai Okamoto, Architect, which increases the contract amount by \$16,000 to a total of \$23,500.
- (g) Resolution No. 25-86 requests authorization of a Second Amendment to the Personal Services Contract with Arthur Silvers, Architect, which increases the contract amount by \$29,000 to a total of \$46,500 and makes certain other changes.
- (h) Resolution No. 26-86 requests authorization of a First Amendment to the Personal Services Contract with Hideo Sasaki, Landscape Architect, which increases the contract amount by \$14,000 to a total of \$21,500.

The above contracts are in connection with the developments of Fillmore Center Developers and Western Commercial Partnership I (WCP) in the Western Addition A-2.

Mr. Hamilton reported on items (f) (g) and (h) as follows. Personal Services Contracts were authorized with the subject consultants in March 1985 for a total amount of \$32,000, which allocated \$7,500 each to Rai Okamoto and Hideo Sasaki and \$17,000 to Arthur Silvers. During the past year these consultants have assisted staff in reviewing the architectural proposals of Fillmore Center Developers and WCP. Since the technical assistance provided has been extremely productive and valuable, it is considered important that their services continue during the next development phases of these projects and it is proposed to increase the three contracts by a total amount of \$59,500. The contract with Arthur Silvers was first amended in September 1985 when the comprehensive general liability insurance requirement was reduced from a combined single limit of \$2 million to \$1 million, however, he has been encountering difficulties in obtaining the required insurance. It is therefore proposed that the Second Amendment include a provision authorizing the Executive Director to endeavor to resolve this matter, with the understanding that the Agency's interests are not jeopardized. This Amendment would also provide that, while Mr. Silvers continues to reside in San Luis Obispo, California,

NEW BUSINESS (continued)

his hourly rate of \$93.55 will remain the same. However, should he move to the San Francisco Bay Area, this rate will be adjusted and reduced to a rate compatible with other design consultants.

Mr. Newman inquired whether Mr. Silvers compensation covers travel time and Mr. Hamilton indicated that it did not.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton reported on item (a) as follows. This item requests authorization of a two week extension, through February 18, 1986, of the On-Target Delivery Service Contract. At the January 7, 1986 meeting an extension was approved through February 4. Since that time, staff has further reviewed the contract insurance requirements, the availability of such insurance in the marketplace and also the competitiveness of the proposed compensation for a new contract. This analysis has not yet been completed resulting in the requested extension for a further two weeks at the current rate of compensation.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE ON-TARGET DELIVERY SERVICE CONTRACT BE EXTENDED THROUGH FEBRUARY 18, 1986 AT THE CURRENT RATE OF COMPENSATION.

Mr. Arnelle returned to the meeting at this time, 4:14 p.m.

Mr. Hamilton requested a closed session on personnel to instruct the Agency's negotiators regarding Union negotiations with Local 790.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 4:42 p.m.

RECONVENED

At this time the meeting reconvened back to the regular meeting, 4:53 p.m. with the same roll call.

Minutes of Regular Meeting, January 28, 1986

MATTERS NOT APPEARING ON AGENDA


The following motion was adopted.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE AGREEMENT WITH LOCAL 790 BE EXTENDED FOR ONE MONTH.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

  
Patsy Oswald  
Secretary

APPROVED

March 25, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
11TH DAY OF FEBRUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of February, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
H. Jesse Arnelle  
Charlotte Berk  
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President  
Dorman L. Commons  
Melvin D. Lee (arrived at 4:10 pm)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers, Hunters Point; Mary Helen Rogers, WAAC; Sondra J. Thornally, Harold Bexton, Irene and Herman Yarbrough; Katherine Nash, Essie Collins, Nolan Frank, Michaela Cassidy, Arnold Townsend.

Representing the press were: Don Borsuk, San Francisco Progress; Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of November 19, 1985, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of December 3, 1985, be approved.

Mr. Lee arrived at this time, 4:10 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) The Agency's Office will be closed on February 17 in observance of Presidents Day.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Sale of 1945 O'Farrell Street in the Western Addition A-2.

Resolution No. 28-86 requests authorization of the sale of a condominium unit located at 1945 O'Farrell Street a portion of Parcel 728-H, in the Western Addition A-2 to Richard Barulich.

President King opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton reported on item (a) as follows. Although Mr. Barulich was not in the group of applications previously approved, and has elected to use conventional financing rather than the Agency's shared appreciation loan program, he meets the other selection criteria of the program. Lower current interest rates and his financial capability to make a substantially higher down-payment qualified him for a loan commitment from California Federal Savings.

There being no persons wishing to appear in connection with this matter, President King declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-86 BE ADOPTED.

- (b) Resolution N. 29-86 requests authorization to award Site Improvement Contract NO. 44R to Ambo Concrete, Inc., in an amount of \$109,035.50, on the basis of the lowest bid received, for the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. It is staff's request that this matter be held for one week pending resolution of some concerns relative to the Affirmative Action Program.

RULE OF THE CHAIR: President King indicated that subject to the object of any Commissioner that item (b) would be continued for one week at staff request. There being no objection it was so ordered.

- (c) Resolution No. 30-86 requests authorization to extend Exclusive Negotiations, until March 19, 1986, with O'Donoghue Industries, Inc. for Parcel AA-2 located on the northerly side of Keith Street between Hudson and Fairfax Avenues in Hunters Point.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. Exclusive negotiations, authorized in September 1985 for the construction of forty-eight dwelling units, were subsequently extended from November 13, 1985 to February 12, 1986. Although all requirements of the exclusive negotiations have been met, the developer has requested additional time to analyze the project and the proposed LDA, resulting in the requested extension, which will also allow item for publication of the public hearing notice.

Mr. Timothy O'Donoghue, President of O'Donoghue Industries, indicated that since entering into exclusive negotiations in September 1985, he had dealt with three separate Agency representatives and each time felt the rules they were playing under were understood and then it was revealed that there would be a limited maximum price on the housing. The intention had been to deliver what the Agency wanted with housing at the lowest possible prices, but it would be difficult to have a firm price when bids were not in hand and other requirements unknown. Basically, the reason for asking for an extension is that they had shown good faith by putting up the \$110,000 and now they are being asked by the Agency to put up \$17,000 and another \$300,000. But now, they would like to make sure that they both understand the rules to which they are suppose to adhere to, so as not to get further down the road and find what they thought was acceptable is not. Presently, they are dealing with Ms. Susan Ranney and everything seems to be "on-track". It is now a matter of holding discussions and meetings to determine whether the density should be extended or lowered or the housing modified in some manner that will meet community needs.

Mr. James Wilson, Project Director, Hunters Point, indicated it should be made clear that this developer has raised no issues with staff since his last appearance before the Commission. The developer mis-stated then and again today, that staff was trying to impose a ceiling on the sales prices of his development. It was proposed that having represented to the public that he would bring housing to them at a certain price that, if circumstances arose that precluded him from holding to those prices, he would come in and discuss the reasons for increasing or altering those prices. The Commission heard and agreed with Mr. Donoghue's arguments against that proposal and deleted the language regarding sales prices from the LDA. The developer leaves the impression that staff continues to change "the name of the game" but that is not the case. After entering into exclusives the firm wanted to acquire and build from the plans that had been offered by BARCO Developers, his competitor on the site, which was denied, as the situation that would put staff in was obvious. If allowed to build from the plans of a competitor, when staff had advised the Commission that O'Donoghue had a better proposal. Staff is still awaiting the developer's evaluation of the LDA in order to go forward.

NEW BUSINESS (continued)

Mr. Arnelle inquired as to staff's recommendation and Mr. Hamilton indicated the recommendation is to grant an extension until March 19, 1986.

Mr. Arnelle addressed Mr. O'Donoghue and indicated that he was rather disturbed by the comments passed today and suggested that it would be to Mr. O'Donoghue's benefit to work more closely with staff so both understand the guidelines.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-86 BE ADOPTED.

- (d) Resolution No. 31-86 requests consideration of two individuals recommended by the Nominating Committee and the designation of two Agency representatives to participate in the formation of the Yerba Buena Center's Cultural Facility Entity and to serve on the Board, Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. On January 21, 1986, the Nominating Committee presented their report to the Commission of individuals to constitute the initial twenty-two person YBC Cultural Operating Board of seventeen "at-large" members and five designated members. Subsequently, two of the proposed "at-large" candidates indicated they could not serve because of existing commitments and, following re-evaluation of the names proposed for participation, it is now recommended that Joe Chen and Edith Jenkins be appointed. Both have indicated a willingness to serve and details of their backgrounds and past achievements, which demonstrate their ability to participate, have been provided to the Commission. This would complete the appointments of the seventeen "at large" members. The five designated members consist of the Mayor; Marvin Richman and Joe Madonna of Olympia & York, representing the developer; and two Agency representatives, who it is proposed be designated today, thereby completing the full Board complement of twenty-two persons.

In reply to Presidents King's inquiry, Leo Borregard, Agency General Counsel, indicated that one resolution would be sufficient to appoint the two "at-large" nominees, however, a motion could be taken to designate the two Agency representatives and that designation put in the form of a written resolution, as required by an earlier resolution. He further indicated that the two Commissioners to be designated as Agency representatives would serve at the pleasure of the Commission, but only while they are "sitting" members of the Commission. A new person would be elected in the event of a Commissioners no longer served on the Commission.

NEW BUSINESS (continued)

Ms. Micheala Cassidy indicated that it was her understanding that the Board would consist of twenty-two persons, including the Mayor, with twenty-one to be divided into seven groups for a term of three years, after which time they would all come up for future election.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-86 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT MS. BERK BE DESIGNATED AS AN AGENCY REPRESENTATIVE TO SERVE ON THE YERBA BUENA CENTER CULTURAL BOARD, CONSISTENT WITH A RESOLUTION TO BE PREPARED BY STAFF.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT MR. NEWMAN BE DESIGNATED AS AN AGENCY REPRESENTATIVE TO SERVE ON THE YERBA BUENA CENTER CULTURAL BOARD, CONSISTENT WITH A RESOLUTION TO BE PREPARED BY STAFF.

- (e) Resolution No. 32-86 requests authorization of a First Amendment to the Agreement for Legal Services with McDonough, Holland & Allen, which increases the amount payable by \$25,000, in connection with all Redevelopment Project Areas.

Mr. Hamilton reported on item (e) as follows. This law firm has been providing services to the Agency since June 1985 in ongoing negotiations and document preparation in connection with the Fillmore Center, as well as handling tax increment financing issues in the Western Addition A-2 and Rincon Point-South Beach Project Areas. Intensive work was performed in connection with the December 1985 bond deadlines and agreements for Western Commercial Partnership I and Fillmore Center Associates and the firm's continued involvement is required to handle any necessary modifications to these agreements. The original contract amount of \$50,000 is almost expended and the proposed increase will result in a new total maximum contract amount of \$75,000.

At Ms. Mary Rogers request, Mr. Earl P. Mills, Deputy Executive Director, provided an updated report on the firm's Affirmative Action Program and indicated that they had made satisfactory progress in this regard over the past fifteen months.

Mr. Arnelle requested that this item be continued for one week while Mr. Mills and General Counsel explore the possibility of joint ventures and the firm's willingness to accept joint ventures.

Ms. Rogers requested information as to the length of time that the contract has been in effect and the total amount expended during that period. Mr. Mills indicated that he would provide this information to Ms. Rogers.

NEW BUSINESS (continued)

- (f) Resolution No. 33-86 requests authorization of a Second Amendment to the Agreement for Dental Care Service with Delta Dental Service (formerly California Dental Service).

Mr. Hamilton reported on item (f) as follows. The proposed amendment provides for: premium rate increases effective January 1, 1986; authorizes staff to approve future amendments to the Agreement in accordance with the negotiated formula for sharing the cost of the premium between the employee and the Agency, with such changes to be carefully reviewed prior to implementations to ensure continuing competitiveness of the premiums; and confirms the continuance of monthly payments to L.F. Winsten & Associates, the Trust Administrator. Dental insurance has been provided for employees since February 1984 with the Agency paying 100% of the employee coverage and 80% of the dependent coverage, a formula that was originally negotiated with the two employee unions. Premiums through Delta Dental Service increased approximately 4.1% over 1985 rates, which is considered to be reasonable given the general rate of increases elsewhere in the medical and dental fields. The dental premiums have always included a 70 cent per person monthly payment to L.F. Winsten & Associates for their expenses in administering the group contract. However, due to an oversight, this authority was not specifically spelled out in earlier authorizations, resulting in the request for confirmation to continue payment of the Trust Administrator fee.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton reported that this item concerns an LDA with Irene and Herman Yarbrough and Lillie Collins for Parcel 688-C(1) located at 1401-1405 Gough Street in the Western Addition A-2.

Ms. Sondra Thornally, attorney representing the Developers, explained the difficulties that had been encountered by her clients when their contractor, Mr. Kim Lee, could not provide a performance bond, which resulted in a reappraisal of the land when the absolute conveyance date of January 10, 1986, could not be met. She requested the increased land price be "rolled back" for sixty days.

Ms. Mary Rogers, Mr. Nolan Frank, Ms. Irene Yarbrough and Ms. Essie Collins spoke in support of the Developers' request.

Mr. Hamilton explained the issues and why it is the Agency's policy to reappraise the land after eighteen months. If this request was granted it would be setting a precedent. Also, similar requests from others had been denied in the past and it has been staff's practice to adhere to Agency policy.

MATTERS NOT APPEARING ON THE AGENDA (continued)

It was the consensus of the Commission to adhere to past practice and the policy of the Agency. Ms. Thornally indicated there were three issues the Commission was being requested to consider. First, a "roll back" of the contract price; second, an extension of sixty days to perform under the original contract with the land price remaining at \$104,000; third, if the first two issues were rejected, then an extension to perform would be requested to accept or reject the new contract price, which time expires today.

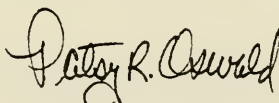
Following discussion between the Commission, staff and the public the following motion was adopted.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT AN EXTENSION OF SIXTY DAYS BE GRANTED TO THE DEVELOPERS TO EITHER ACCEPT OR REJECT THE NEW LAND PRICE.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald  
Secretary

APPROVED

April 8, 1986



SF  
R35  
#4  
2/18/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
18TH DAY OF FEBRUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of February, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Walter S. Newman, Vice President
- H. Jesse Arnelle
- Dorman L. Commons
- Haig G. Mardikian

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and the following were absent:

- Charlotte Berk (arrived 4:15 p.m.)
- Melvin D. Lee (arrived 4:05 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Willie Lance, Richard Lhwin, Paul Scarbina, Omi Lang Associates; Asa Hanamoto, Royston Hanamoto, Alley & Abey.

Representing the press was: Dan Borsuk, San Francisco Progress.

UNFINISHED BUSINESS

- (a) Resolution No. 29-86 requests authorization to award Site improvement Contract No. 44R to Ambo Concrete, Inc. in an amount of \$109,035.50, on the basis of the lowest bid received for the Western Addition A-2.

Mr. Hamilton reported that this item was continued from last week's meeting and since staff still has concerns regarding the contractor's affirmative action program, it was requested that item (a) be held over one more week.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, that item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

UNFINISHED BUSINESS

Mr. Lee arrived at this time, 4:05 p.m.

- (b) Resolution No. 32-86 requests authorization of a First Amendment to the Agreement for Legal Services with McDonough, Holland and Allen, which increases the amount of the contract by \$25,000 in connection with all Redevelopment Project Areas.

Mr. Hamilton reported on item (b) as follows. This item was continued from last week's meeting when staff was requested to explore the possibility of the law firm entering into a joint venture arrangement. Following discussions with Mr. Coomes and other principals of the firm, it is staff's opinion that the type of assignments involved, relative to the use of a particular individual, do not lend themselves to joint ventures. The firm indicated that philosophically they are not opposed to joint ventures, however, in this particular case they do not believe it is appropriate. Approval of this amendment is recommended with a view to looking toward the possibility of future opportunities for joint venturing involving this firm.

Mr. Arnelle indicated he would like to see this matter held over since it had not been demonstrated whether, in fact, this kind of legal work cannot be joint ventured. He also expressed concern that the types of legal work that can or cannot be joint ventured was being defined by someone else not present before the Commission.

Mr. Hamilton indicated that the judgment that the specialized nature of the work does not lend itself to a joint venture was not solely the view of the law firm, but also the view of the Agency Counsel, which he shared. In this particular instance, the Agency is dealing with the specific specialized advice from an individual in the firm and it cannot successfully be joint ventured.

Mr. Arnelle indicated that he believed a lot of things could be joint ventured, notwithstanding the specialized knowledge of key individual with regard to legal work, as that is not the only criteria. He indicated his concern that a real effort be made to demonstrate this and requested the item be held another week.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner item (b) would be continued for one week at the request of Commissioner Arnelle. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 35-86 requests authorization of Contract Negotiations with four firms for the design of three gardens, the Esplanade, Fountain and Pedestrian Bridges in Yerba Buena Gardens (YBG) in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. The process for securing design services for the Gardens permitted increasing the project's quality by employing a diversity of designers and particularly required that a firm with strong architectural and urban design skills be selected to produce the Esplanade and to coordinate the overall design work. In accordance with the approved process, a Request for Qualifications (RFQ) was issued for urban design services for the Esplanade, Fountain and Pedestrian Bridges and a second RFQ for landscape architectural design services for the three gardens. A major criterion used to evaluate the candidates was the degree to which each firm's design approach and demonstrated design sensitivity would be compatible with the particular spatial character desired in the various YBG open spaces. The interview Panel of staff and consultants carefully examined the design philosophy of each office and the character of past work. Another important criteria was the expressed willingness and proven ability of a firm to work cooperatively and creatively with other offices; attitudes towards the acceptance of constructive criticism, together with each designer's ability to communicate design ideas and visions. Also taken into careful consideration was the special strengths each office would bring to the overall YBG team, as well as the response of each designer to the constraints and opportunities inherent in the YBG Basic Concept Drawings and in the existing urban fabric of San Francisco. Finally, the Review Panel explored such practical matters as to the intended composition of each firm's design team, the availability of design principal for work on the project, the office's production capacity, and the designer's cost consciousness relative to the Agency's available budget for YBG. Based upon this criteria, it is now proposed to enter into negotiations for design services with: M. Paul Friedberg, New York for the Starlight Garden; Omi Lang Associates, San Francisco, for the Chinese Garden; and Hargreaves Associates, San Francisco, for the West Garden and Mitchell/Giurgola, Philadelphia and New York, for the Esplanade, Fountain and Pedestrian Bridges. Mitchell/Giurgola will associate with the landscape architectural firm of Royston, Hanamoto, Alley and Abey of Mill Valley. Mr. Paul Friedberg also intends to associate with a local firm and is considering Omi Lang. The past accomplishments of these firms demonstrates their proven ability to produce an exceptional and extraordinary series of open spaces fulfilling the promise of YBG. Upon completion of negotiations, including satisfactory determination of professional fees, staff will calendar the resulting contracts for consideration by the Commission. Also, at a future meeting, staff will propose an expansion of the Agency's consultant team to better equip it to advise the Agency on issues peculiar to the design of the YBG Open space elements.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-86 BE ADOPTED.

NEW BUSINESS (continued)

Ms. Berk arrived at this time, 4:15 p.m.

- (b) Resolution No. 36-86 requests authorization of a Permit to Enter to YBG Associates for use of Agency-owned land and execution of the necessary documents to provide alternate access during construction of the Marriott Hotel in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. The DDA with YBG Associates provides for certain improvements in the Central Blocks, including construction of the 1500 room Marriott Hotel on Central Block 1. The permit will provide access to accommodate the various pre-construction activities and to allow the developer to build a temporary cul-de-sac for the eastern terminus of Stevenson Street. In addition, it provides for the construction of a ramp for temporary access to the St. Patrick's Church property and the P.G. & E. Substation so that Jessie Street can be closed at Fourth Street. The Permit area consists of the "Hotel Parcel" and four parcels to its east which have been designated East Parcels 1,2,3 and 4. Following conveyance of the hotel, EP-1 will continue to be used for hotel construction activities until the office building is conveyed. The construction of the ramp and provision of access for the church and substation requires an amendment of the existing agreement with the parking operator. Dominic J. Orsi, dba Mission Auto Park, has operated the parking lot since 1976 adjacent to St. Patrick's Church. The amendment to the Orsi Rental Agreement will allow construction of the ramp and permit access through the parking lot. This will require the vacation of six parking stalls and the Developer has agreed to reimburse the Agency for income loss from these spaces and Mr. Orsi's lease will be correspondingly reduced. The Church will be provided alternative access on a temporary basis during the construction period of the hotel. The representatives of the Church have indicated that the temporary access is acceptable. Permanent access arrangements will be set forth in an Easement Agreement and a License Agreement which will be brought before the Commission for consideration prior to conveyance of the hotel lease. An Amendment will also be required to the Rental Agreement with Kalman Plumbing Company, presently the sole occupant of the Jessie Street Substation. The closure of Jessie Street would affect the present tenant and any future tenants, therefore the Amendment will authorize the Kalman Plumbing Company and with any other users authorized by the Agency, to have access to the substation through the parking lot. The Permit to Enter will result in a parking rental loss to the Agency of approximately \$28,000. The Developer has agreed to reimburse the Agency for this loss of revenue during the period of their occupancy. Appropriate insurance will be provided in accordance with the approved Hotel Lease and a one hundred percent performance bond for certain work will also be provided.

NEW BUSINESS (continued)

The Developer will also provide assurances that the site will be restored to the Agency's requirements should the developer be unable to proceed for any reason. The developer and its contractor (s) will comply with the affirmative action requirements set forth in the DDA.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-86 BE ADOPTED.

- (c) Resolution No. 37-86 requests authorization of a new Contract with On-Target Delivery Service through February 14, 1987.

Mr. Hamilton reported on item (c) as follows. On January 28, 1986, a second extension of the contract was authorized through February 18th to allow staff further time to review the contract insurance requirements, the availability of such insurance in the market and the competitiveness of the proposed compensation for a new contract. This analysis has now been completed and a new contract is proposed. Staff recommends awarding the contract to On-Target because of the demonstrated high level of service provided over the years and the Agency's continuing commitment to support minority-owned business enterprises.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-86 BE ADOPTED.

Mr. Adolphe Philoxene of On-Target Delivery Service thanked the Commissioners for renewing his contract.

- (d) Resolution No. 38-86 requests ratification of a Modified Agreement for Community Development Services with the City and County of San Francisco for the 1986 Community Development Program Year.

Mr. Hamilton reported on item (d) as follows. On December 10, 1985 an agreement was authorized with the City for 1986 community services, under which the Agency was to receive \$392,500 from the City's CDBG entitlement. The entire allocation was to be reserved for the operation of the City's Central Relocation Services located at the Agency; however, the award of that amount was based on a preliminary entitlement provided by HUD to the City. The City was subsequently notified that the initial allocation was subject to a Downward Revision, as a result of which a modified Agreement was entered into on January 22, 1986, whereby: "The Agency acknowledges and agrees that \$392,500 is based, in part, on a preliminary entitlement figure provided by HUD to the City. The Agency further expressly acknowledges and agrees that should the actual entitlement from HUD to the City be less than the preliminary figure, the City shall have the right to decrease the amount provided, without liability or any reduction in the time of the Agreement". Due to the Gramm-Rudman legislation, the

NEW BUSINESS (continued)

CDBG allocation is still not final. The Mayor has requested in correspondence dated February 11, 1986 that the Agency's allocation be reduced by \$121,870. Staff is currently evaluating the effect of such a reduction on its Central Relocation Services, and discussions will be held with OCD and the Mayor's office.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-86 BE ADOPTED.

Mr. Commons inquired as to the effect this reduction would have on the Agency's budget. Mr. Hamilton indicated that was really a City function that was performed by the Agency and the City will have to fund the program in another manner to meet their legal obligations. Earl Mills, Director, Community Services, explained that the budget for Central Relocation Services is used for personnel except for \$20,000 which is used for inspection services. Mr. Commons inquired whether, in the event of a budget cut of \$121,000, there would be staff reductions in appropriate cases. Mr. Hamilton said Mr. Mills would have to demonstrate that the City would provide money for these services and added that there is a possibility of staff reductions if the City does not provide the money for those services. Mr. Commons said the Commission would be due a progress report if a reduction in staff is anticipated and information as to how this would be handled. Mr. Hamilton indicated that such a report would be forthcoming if circumstances warranted.

President King announced that there would be a closed session pursuant to Government Code Section 54956.9(b)(2) regarding a "pending litigation" matter, upon which the Commission then may determine to proceed with a Closed Session under Government Code Section 54956.9(b)(1).

ADJOURNMENT:

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on "pending litigation" matter. The meeting adjourned at 4:40 p.m.

RECONVENED:

At this time the meeting reconvened back to the regular meeting, at 4:42 p.m. with the same roll call.

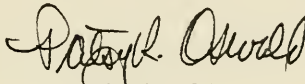
President King announced that there would be a closed session pursuant to Government Code Section 54956.9(b)(1) regarding a "pending litigation" matter.

NEW BUSINESS (continued)

ADJOURNMENT:

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on a pending litigation matter. The meeting adjourned at 4:43 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald  
Agency Secretary

APPROVED

April 8, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
25TH DAY OF FEBRUARY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of February, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Charlotte Berk  
Melvin D. Lee  
Haig G. Mardikian

and the following were absent:

Walter S. Newman, Vice President  
H. Jesse Arnette  
Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: D. Michael Schoenfeld, Esq., Robert V. Fauquier, Robert B. Bittner, Riedel International, Inc.; Debra Crandall, Kendall Park Homeowners; Raymond Miles, Miles Electric; Joe Madonna, Roy Willis, Olympia and York; and Ocie Mae Rogers.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 7, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 14, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) CDBG reprogramming will be before the Finance Committee on February 26, 1986.

UNFINISHED BUSINESS

- (a) Resolution No. 29-86 requests authorization to award Site Improvement Contract No. 44R to Ambo Concrete, Inc. in an amount of \$109,035.50, on the basis of the lowest bid received for the Western Addition A-2.

Mr. Hamilton reported that staff's concerns regarding this item had still not been resolved and requested that it be tabled.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (a) would be tabled. There being no objection, it was so ordered.

- (b) Resolution No. 32-86 requests authorization of a First Amendment to the Agreement for Legal Services with McDonough, Holland & Allen, which increases the amount of the contract by \$25,000, in connection with all Redevelopment Project Areas.

Mr. Hamilton reported that he had received a telephone call from Commissioner Arnelle requesting that this item be continued for one more week in order that he could be present when it was discussed.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (b) would be continued at Commissioner Arnelle's request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 39-86 requests consent for Riedel International, Inc. to perform demolition work in lieu of its former Subcontractor, Art Broman, under Contract I - HARBOR in Rincon Point-South Beach.

Mr. Hamilton reported on item (a) as follows. The subject contract provides for the construction of the South Beach small boat harbor. Based principally upon the failure of Riedel's selected subcontractor, to obtain a California contractor's license, the substitution of Art Broman was approved in July 1985. In September 1985, Broman abandoned the work, due to reported contractual disputes with Riedel. Riedel then notified the Agency of their intention to proceed with the demolition work with its own forces in order to complete the work in a timely manner. Subsequently, when the need for the Agency's consent was identified, Riedel requested Agency approval for work already performed, and still to be performed, due to Broman's abandonment of the project. This request includes agreement to indemnify and hold the Agency harmless from any claims made by Broman. This substitution does not change the contract price or the time of performance of the contract.

NEW BUSINESS (continued)

Mr. Lee inquired as to the nature of the dispute between Riedel and Broman. Mr. Bob Bittner, Vice President, Riedel International, Inc., indicated Broman had no bond to perform the work and the firm also said they had no contract with Riedel to do the work. Riedel has brought legal action against Broman, which is to go to arbitration in the near future. Mr. Lee noted his concern that the Agency be held harmless from any claims by Broman and Leo Borregard, Agency General Counsel, indicated that the Agency does have indemnity from Riedel.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-86 BE ADOPTED.

- (b) Resolution No. 40-86 requests authorization to substitute Amelco Electric in lieu of Dewpoint Construction Services, Inc. for performance of electrical work under Contract I - HARBOR in Rincon Point-South Beach.

Mr. Hamilton reported on item (b) as follows. This contract with Riedel International, Inc. provides for the construction of the South Beach small boat harbor. On January 7, 1986, Riedel terminated Dewpoint's subcontract to perform electrical and mechanical work, based upon failure to perform and advised the Agency of its intention to seek substitute subcontractors to ensure timely completion of the work. Dewpoint failed to respond within the specified time to the Agency's January 21, 1986, notification of Riedel's intention to substitute, and thereby pursuant to Government Code Section 4107, Dewpoint consented to the substitution. Riedel then solicited bids from potential electrical and mechanical subcontractors, including all those in the Agency's directory of minority and women contractors. The lowest bid received for the electrical work was from Amelco Electric, a division of Amelco Industries, Inc. of San Leandro, California, in an amount of \$771,852. It should be noted that Miles Electric, a local minority business and qualified electrical subcontractor, protested to Riedel and the Agency that the bidding was irregular in that other bidders were allowed to add to their bids after the stated bid closing. However, staff has evaluated Riedel's response and does not find their conduct to be unlawful. Riedel has agreed to provide a letter holding the Agency harmless against any damages that may be claimed by Dewpoint, Miles Electric, or any other subcontractor that may have submitted bids. This substitution does not change the contract price or the time of performance of the contract.

Raymond Miles, President and General Manager of Miles Electric, protested that the bidding was irregular and that the bids that were added to after the bid opening were unlawful and in violation of the Public Works Contract Code. Leo E. Borregard, Agency General Counsel indicated that the code which is being referred to is a code which is binding upon a State Agency, and does not apply to this Agency. In his opinion, it also does not apply to bids between private contractors or subcontractors.

NEW BUSINESS (continued)

Mr. Hamilton explained the situation as follows. Riedel International had the need to select a subcontractor to substitute for Dewpoint and they solicited for bids with an opening bid date of January 29, 1986. Midway in the response period, Riedel considered excluding a portion of the work covered in the specs that had to do with the purchase of cable. A formal decision was never made, but several subs were advised by the suppliers that it was their understanding from Riedel that, indeed, it was considering excluding the cable. Those subs with that information, however informal it may have been, contacted Riedel International, Inc. and were told by an employee of Riedel International that that item in the specs, the purchase of cable, was going to be excluded. Therefore, in their bid preparation, the four subs excluded the cable. The specs were not amended and no notification of an amendment to the specs was made. Riedel International, in its own internal decision-making machinery, then decided, for whatever reason, not to exclude it and would leave the specs as they had been published. However, with now imperfect information, four of the six subs who responded, responded with bids that did not include the cable purchase. Two of the subs who did not know of the interim decision not to include it, one of whom was Miles Electric, included it in their response. Riedel then decided that upon receipt of the bids and without making known any of the bids to any of the subs, but looking at them and realizing that some of them had responded with imperfect information, made known to all of them that it wanted the purchase of the cable included. It then permitted the subs to go and get quotes on the cable and add that to their bids and that became the effective bid that Riedel considered. When Amelco was permitted to add to its bid the purchase of the cable, Amelco was lower than Miles. Riedel is therefore requesting approval of Amelco as the low bidder as the subcontractor for the electrical work. Mr. Miles is indicating that he was low because he had the lowest effective bid at the time of the bid opening. Those are the circumstances that bring Mr. Miles here and he is suggesting that the Agency should require Riedel to stay with the original specs, as they would have applied without permitting anyone to add to their bids (even though the subcontractors had not done so), because they had received imperfect information from a Riedel employee.

Mike Shoenfeld, attorney representing Riedel, explained their position, and indicated that if Riedel could not award the contract to Amelco Electric, then they would probably rebid the job.

President King inquired if any minorities had bid the job other than Miles Electric and Mr. Bittner indicated that of the six bids received Van Hook, Yick and Miles are minorities. Amelco would be joint-venturing with a woman-owned minority firm.

NEW BUSINESS (continued)

President King inquired about Riedel's affirmative action program and Earl Mills, Deputy Executive Director, indicated that it appears they will meet their affirmative action goals.

After further discussion between the Commission, staff and the representatives for Riedel and Miles Electric, the Commission indicated that since they had just received the material on this matter today, they needed time to study it and would continue this item to next week's meeting.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (b) would be continued for one week. There being no objection, it was so ordered.

- (c) Public Hearing to hear all persons interested in the sale of 1961 O'Farrell Street; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 41-86 requests authorization to sell Maxine and Rivera Anderson a condominium unit at 1961 O'Farrell Street in the Western Addition A-2.

- (d) Resolution No. 42-86 requests authorization of an Unsecured Personal Loan for payment of non-recurring Closing Costs related to this sale in an amount not to exceed \$4,000.

Mr. Hamilton reported on items (c) and (d) as follows. The Andersons were not in the initial group of applicants approved as potential purchasers, however, they meet the selection criteria and First Nationwide Savings has approved their proposal to purchase. When it became apparent that an additional marketing incentive was necessary to secure buyers for the last three Endicott Court units, an analysis was made of applicants who had not been able to meet the program requirements. Based upon this analysis, a determination was made to offer loans to purchase from the A-2 Housing Fund sufficient to cover non-recurring closing costs. The Andersons responded to this offer and wished to borrow funds from the Agency to cover these costs. Authorization of this sale will include approval of a Subscription and Purchase Agreement that provides for repairs to the unit by the Agency, which staff estimates will not exceed an amount of \$1500. These repairs were requested by the Andersons as a result of a pre-purchase inspection and, since the unit has not been occupied since rehabilitation four and a half years ago, this expenditure is considered to be reasonable and justified. The loan cannot be secured by the property since the total debt would then exceed 95% of the value, thereby exceeding First Nationwide's underwriting criteria. Interest will accrued at 10% and the principal and will be due and payable at the time of sale or in ten years, whichever occurs first. This proposed sale is the last unit in the Affordable Condominium Program.

NEW BUSINESS (continued)

Ms. Berk inquired why it had taken four and a half years to sell the Endicott Court units and Mr. Earl Mills, Deputy Executive Director, indicated that there had been a number of problems, notably that staff had geared the program for families, plus there were no garages or storage areas.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-86 BE ADOPTED.

- (e) Resolution No. 43-86 requests authorization of an Agreement which provides for the Agency to transfer the remaining funds of \$10,096.74 earned under the Rehabilitation Contract between Elizabeth Jamerson and Jamerson Contractors to Carlisle Insurance Company in connection with 685-691 McAllister Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. Mrs. Elizabeth Jamerson and her sister's property was pledged and is being held to secure the performance and payment bonds of Jamerson Contractors. Under the proposed agreement with Carlisle, upon receipt of funds, the property would be released to Mrs. Jamerson and her sister. Approval in September 1984 of Elizabeth Jamerson's interest to Luchan and Lavolia Baker was conditioned upon the rehabilitation contract with her son, Lafayette Jamerson, doing business as Jamerson Contractors, being terminated. Following analysis by staff, \$56,694.01 was determined to be the total value of the work completed by Jamerson Contractors. However, due to the existence of numerous mechanic's liens, this amount was not paid to Jamerson Contractors. Except for a claim by Nolan Frank in an amount of \$8,308.85, all claims have been settled and, although \$10,096.74 in earned funds remains available to satisfy that claim, the parties have been unsuccessful in reaching a settlement. As a condition of obtaining the bonds, Jamerson Contractors entered into an indemnity agreement providing for the assignment of all funds due Jamerson Contractors under the contract to Carlisle in the event of default by Jamerson Contractors. Carlisle has now declared Jamerson Contractors in default and Mr. Frank's claim has prevented them from releasing the properties. Carlisle's attorney has proposed it hold the remaining contract funds in trust pending resolution of this claim. Outside counsel handling all matters related to the Jamerson Contract does not object, provided Carlisle indemnifies and agrees to defend the Agency, both construction lenders and the Bakers from any claims arising from the release of the funds. These provisions are included in the proposed agreement. Since the source of construction funding was a Section 312 loan, the Department of Housing and Urban Development (HUD) was asked to review Carlisle's proposal and agreement. HUD has now authorized the Agency to release the funds upon execution of the agreement.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-86 BE ADOPTED.

- (f) Resolution No. 44-86 requests authorization of Second Supplemental Origination and Servicing Agreements, which clarify earthquake insurance requirements applicable to the Agency's Mortgage Revenue Bonds issued for the Opera Plaza development in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. The bonds issued in July 1980 provide permanent financing for Opera Plaza, a 463-unit residential development. These loans to the individual condominium purchasers were originated and are now being serviced on behalf of the Agency, pursuant to Agreements with the Participants: First Interstate Bank of California, First Nationwide Savings and Crocker National Bank. A requirement of the loans is that the residential development be fully insured under a master hazard insurance policy containing an earthquake damage endorsement having a deductible not in excess of five percent if commercially available or, if not commercially available, the maximum protection against earthquake loss then reasonably available and acceptable to the Trustee, Wells Fargo Bank. The insurance markets, particularly earthquake insurance, have undergone substantial disruption in recent months resulting in significant rate increases and limited availability of certain coverages, making it difficult to place the required insurance, and even to determine what insurance is commercially or reasonably available. The Trustee has requested that the procedure be clarified by adding a section entitling the Trustee to rely in such matters upon the written advice of an Insurance Consultant, who would be paid out of funds generated by the bonds as a program expense. This procedure will facilitate performance under the Agreements and will thereby further the purposes of the SB-99 legislation pursuant to which the bonds were issued. The Trustee has determined that the requested amendments are not to its' or the bond holder's prejudice. They have also been reviewed and approved by the Agency Bond Counsel. The Participants and the Bank of America, which has issued its letter of credit in connection with the bonds, have all agreed to the amendments.

Ms. Berk inquired if other developments would be requesting amendments and David Oster, Assistant General Counsel, replied affirmatively, and that the Agency would study these items on a case-by-case basis.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-86 BE ADOPTED.

- (g) Resolution No. 45-86 requests authorization of Agency membership in the Community Redevelopment Agencies Association (CRA) at an annual cost of \$1500.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. CRA, a Statewide non-profit organization, has over 110 private sector members and represents about eighty percent of all redevelopment agencies in California. The private sector members include architects, engineers, redevelopment consultants and financial institutions, all of whom work with redevelopment agencies to resolve problems and improve the redevelopment process in California. The increasing erosions of federal funding sources and programs has magnified the need for local agencies to pursue alternative fiscal avenues and to promote local legislation supportive of the redevelopment process. In addition, the Association has been extremely active in the legislative arena where redevelopment and tax increment financing have been under almost constant attack. It is considered that the Agency will benefit materially from this membership through association with member agencies and organizations in endeavors to maintain redevelopment as a viable process and keep amendments to the community redevelopment law reasonable and workable.

Ms. Berk inquired what the cost of membership was based upon and Mr. Kernan, Senior Deputy Executive Director, indicated that it was based on the City population on a sliding scale and the amount of tax increment the Agency uses.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 46-86 requests authorization of a Thirty Day Extension to the Schedule of Performance for the YBG Central Blocks Phase 2 in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. The proposed extension, which applies to both the Agency and Developer, would extend all Phase 2 dates in the Schedule of Performance including construction start and completion. Phase 2 includes all of the YBG Development, except the hotel. Following a request to the Mayor by the San Francisco Convention and Visitors Bureau and the Chamber of Commerce Committee for additional exhibit space for the Moscone Convention Center, the Chief Administrative Officer of the City and County of San Francisco, has convened a group to analyze the effect of this request. The analysis will require a period of thirty days to conclude. Because of the uncertainty created, the Developer has requested a thirty day extension to all Phase 2 dates. After a discussion between the Commission and Executive Staff, it was agreed that the Commission needed to meet with the Mayor regarding the Agency's Yerba Buena Center Program and the ramifications of granting or not granting an extension.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Resolution No. 47-86 requests authorization for Wilbur W. Hamilton, Executive Director to join the Convention and Visitors Bureau and the Chief Administrative Officer, Roger Boas, March 3-7, 1986 on a tour of convention cities at a cost not to exceed \$2,000.

Mr. Hamilton reported that he had been asked to join this tour of convention cities for the purpose of studying and analyzing convention expansion alternatives as requested by the Mayor.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-86 BE ADOPTED.

Mr. Hamilton requested a Closed Session on personnel to instruct the Agency's negotiators regarding Union negotiations with Local 790.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 5:50 p.m.

RECONVENED

At this time the meeting reconvened back to the regular meeting, 5:55 p.m. with the same roll call.

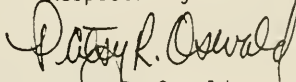
The following motion was adopted.

MOTION: It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the Agreement with Local 790 be extended to March 15, 1986.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

June 3, 1986



86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
4TH DAY OF MARCH 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of March, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle  
Dorman L. Commons (arrived 4:10 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: E.E. Ruppe, Pactel Properties; R.B. Bittner, Riedel International; Joseph Coomes, McDonough, Holland & Allen; Ocie Mae Rogers, Hunters Point.

Representing the press were: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of January 21, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is on a five-day tour of convention cities in connection with the joint study and analyses of convention expansion alternatives as requested by the Mayor. He will be back in the office on March 10.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) On February 26, 1986, the Finance Committee passed a resolution approving the transfer of \$649,900 in Community Development Block Grants from program contingencies. This reprogramming includes a reduction of \$121,870 in Agency's allocation. This item was before the full Board of Supervisors on, March 3 and passed without discussion.

UNFINISHED BUSINESS

- (a) Resolution No. 32-86 requests authorization of a First Amendment to the Agreement for Legal Services with McDonough, Holland & Allen, which increases the amount of the Contract by \$25,000 in connection with all Redevelopment Project areas.

Mr. Commons arrived at this time, 4:10 p.m.

Mr. Kernan reported that this item was continued from last week's meeting at the request of the Commission as Mr. Arnelle, who had requested that this firm look into Joint Venturing, was unable to attend the February 25 meeting.

Mr. Joseph Coomes of McDonough, Holland & Allen indicated that a letter had been sent to the Commission regarding the suggestion that the firm carry out their work in joint venture. He noted that they do not joint venture with other firms primarily because of professional liability implications and because of professional responsibility for assignments they undertake.

After discussion between the Commissioners, Staff and Mr. Coomes, the following resolution was adopted:

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-86 BE ADOPTED.

- (b) Resolution No. 40-86 requests authorization to substitute Amelco Electric in lieu of Dewpoint Construction Services, Inc. for performance of electrical work under Contract I - HARBOR in Rincon Point South Beach.

Mr. Kernan reported that this item was continued from last week's meeting by the Commission who requested additional time to study the material given them at the meeting regarding the protest by Miles Electric about Riedel's bidding procedures. Additional information was sent to the Commission today regarding the issues discussed at the February 25th meeting and the substitution of Amelco Electric for Dewpoint is still considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 48-86 requests Conditional Approval of the Preliminary Construction Documents to Pacific Bell for Parcel 3735, Lots 15 and 16, located at the northeast corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. This 19,200 square foot parcel, owned by Pacific Bell, is adjacent to their existing building at 666 Folsom. The parcel includes a transfer of a portion of the property from 666 Folsom Street. The proposed twelve story office building totals approximately 164,000 square feet and arcaded retail space on the ground floor and a loading and parking entrance on Clementina Street. Parking for 31 cars will also be provided. The Schematic Architectural Design was approved in October 1985, subject to the satisfactory resolution of staff design concerns which have now been satisfactorily addressed.

Mr. Glen Bower of Robinson, Mills & Williams, the Developer's architect, described the changes that had taken place since the Commission last reviewed the design of the building and Mr. Edmund Ong, Chief of Architecture, described several items that were identified and will require attention during the Final Construction Document Phase.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-86 BE ADOPTED.

- (b) Resolution No. 49-86 requests authorization for the Senior Deputy Executive Director, Redmond F. Kernan, to travel to Lake Buena Vista, Florida, to attend the Urban Land Institute (ULI) Spring Meeting at a cost not to exceed \$2,000, May 7-11, 1986.

Mr. Kernan reported on item (b) as follows. The majority of members of this organization are involved in real estate and development fields, as well as professionals in related activities. These meetings feature thoroughly researched presentations of development cases which illustrate various aspects of land use, planning, financing and development implementation. Since staff is involved in many issues that will be discussed, it is considered that participation will be beneficial to the Agency.

Mr. Mardikian inquired if a reply had been received from ULI as to whether the Commissioners could be recognized as public officials, thereby having their dues and attendance fees schedule considered in that category. Mr. Kernan indicated that he would report back to the Commission on this subject.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOT. 49-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 50-86 requests authorization of an Amendment to the Rental Agreement with Dominic J. Orsi. dba: Mission Auto Park in Yerba Buena Center.

Mr. Kernan reported on item (a) as follows. An amendment to this agreement was approved on February 18, 1986, to permit YBG Associates to construct a ramp in the lot operated by Mission Auto Park to provide access to the properties presently served by Jessie Street. At the same time a Permit to Enter, to be signed by the developer by February 28, 1986, was authorized for YBG Associates to construct this access ramp and other predevelopment activities for the Marriott Hotel. However, on March 3, 1986 advice was received that the developer's principals found issues in the Permit with which they did not concur and therefore chose not to execute it. It is anticipated that consideration of the Permit will again be requested shortly but, in the meantime, it is desirable to have the parking operators continue their interim use of the area. The subject Rental Agreement was amended to specifically exclude six parking spaces and the proposed amendment would permit continued use of these spaces with the special provision that the property be vacated within forty-eight hours after notice has been given.

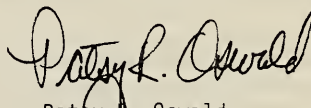
ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-86 BE ADOPTED.

President King indicated that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Carlin Company, Inc. v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

  
Patsy L. Oswald  
Secretary

APPROVED

April 8, 1986

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
11TH DAY OF MARCH 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of March, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President Walter S. Newman, Vice President  
Charlotte Berk Dorman L. Commons  
Haig G. Mardikian

and the following were absent:

H. Jesse Arnelle (arrived 4:15 p.m.)  
Melvin D. Lee (arrived 4:05 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Mae Rogers, Hunters Point; Laurie Smith, SEIU Local 790; David Cincotta, Phoenix Development Corp.; Messers. Ho, Ahn, Chon, Won, and Yu: Full Gospel San Francisco Church; Essie Collins.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) From March 4 through March 7, a tour of Los Angeles, Anaheim, Las Vegas, Atlanta and New York was taken with Roger Boas, Chief Administrative Officer; George Kirkland, Director of the Visitors and Convention Bureau; Dick Shaft, Manager of the Moscone Convention Center, representing FMI; and Wilbur W. Hamilton, Executive Director, Redevelopment Agency. It became very clear on the tour that there will need to be an expansion of the City's convention and exhibit capacity, but it was equally clear that none of the proposed expansion alternatives will meet the City's needs. That was the joint and unanimous view of all the participants on the tour and a report to that effect will be made to the Mayor. A meeting is scheduled on March 12, of the persons involved in the tour, along with other senior staff who have also been working on that problem. This consensus was an inescapable conclusion that none of the alternatives that were proposed, whether on top of CB-3, beneath CB-2 or East Block 2, really

addressed the magnitude of the problem. Such an alternative would be obsolete by the time it opened and would make no sense.

Mr. Lee arrived at this time, 4:05 p.m.

NEW BUSINESS

- (a) Resolution No. 51-86 requests authorization of a First Amendment, which extends the time of completion until December 31, 1986, to Letter Agreement No. 101 with the City Public Utilities Commission.

Mr. Hamilton reported on item (a) as follows. This Letter Agreement, approved in June 1983, provides that the Agency will furnish consultant services for design of the Embarcadero and related transportation facilities affecting the Rincon Point-South Beach project and be reimbursed in an amount not to exceed \$20,000. The Agreement specified a time of completion on or before December 31, 1984, unless extended by mutual agreement. The Embarcadero design is dependent on the completion of the 1-280 and Mission Bay transportation designs, both of which have not as yet been finalized. Therefore the required services have not been completed and funds under the original allocation are still available. The Public Utilities Commission has agreed to the proposed extension which continues funding for the design that is essential to the Rincon Point-South Beach project.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-86 BE ADOPTED.

- (b) Resolution No. 52-86 requests authorization of a First Amendment to the Owner Participation Agreement with South Beach Investments, Inc. and Forest City Bayside Corp. in connection with Site E Block 3733, Lots 2,3 and 4, located in the blocks bounded by Beale, Bryant, First and Brannan Streets in Rincon Point-South Beach.

Mr. Hamilton reported on item (b) as follows. The developer of this 840 unit housing site has been diligently pursuing the performance schedule, however, a delay has been incurred in completing the schematic designs. The proposed amendment would extend the submission date for the schematic designs from February 17 to April 16, 1986, and the amount of time for Agency review of these designs would be extended from fourteen to thirty days from submission.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-86 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 53-86 requests authorization of a First Amendment to the Owner Participation Agreement with SBMA, Ltd. which extends the submission date for Schematic Designs from February 13 TO April 16, 1986, in connection with Site 1-2 Block 3789, Lots 26 and 27, located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. Although the developer of this 414 unit housing site has been diligently pursuing the performance schedule, a delay has been experienced in completing the schematic designs. It is considered that these designs can be completed and the remainder of the schedule adhered to within the requested extension period.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-86 BE ADOPTED.

- (d) Resolution No. 54-86 requests authorization to extend Exclusive Negotiations, until May 14, 1986, with Bayview Plaza Development Corporation for the Hunters Point II School Site located on the southeasterly corner of Ingalls Street and Kiska Road adjacent to Hunters Point.

Mr. Hamilton reported on item (d) as follows. In November 1985 exclusive negotiations were authorized with Bayview Plaza Development Corporation for the development of a small neighborhood shopping complex. The Agency has created a solid residential neighborhood, however, residents have to travel extensive distances for commercial services of any kind and it is therefore considered that the proposal calls for a highly desirable use. To avoid possible confusion with the Bayview Square Shopping Center development in India Basin, the entity is in the process of changing its name to Hunters Point Plaza, Inc.

Mr. Newman inquired why the negotiations were taking longer than anticipated and if any problems were being encountered. Mr. James Wilson, Project Director, Hunters Point, indicated that there are no problems with this developer. However, Mr. Michael Hatfield, President of EMBY Foods, has just purchased two more supermarkets in areas similar to the Hunters Point community in the East Bay, which has taken up his time and has asked the Agency's indulgence in allowing more time to conclude the subject proposal.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-86 BE ADOPTED.

Mr. Arnelle arrived at this time, 4:15 p.m.

NEW BUSINESS (continued)

- (e) Resolution No. 55-86 requests authorization of an Owner Participation Agreement (OPA) with Phoenix Realty Group, Inc. and approval of the Basic Concept Architectural Design for Block 696, Lots 12 and 14, located at the southeast corner of Post and Gough Streets in the Western Addition A-1.

Mr. Hamilton reported on item (e) as follows. Phoenix Realty is a new corporation which includes as a principal, Mr. Robert Littell, who was also a principal in the Cathedral Hill Development Company, Inc. In 1981 an A-1 Plan Amendment, which was authorized to permit Catalyst to construct market rate housing on the subject parcel, changed the permitted use and the allowable density of housing on the site. However, Catalyst's proposal, and a subsequent proposal from Cathedral Hill, did not go forward. Phoenix Realty now proposes to construct a nine-story residential tower containing eighty-six units above a three-story parking garage with approximately 12,760 gross square feet of retail at street level. The Performance Schedule calls for commencement of construction by October 11, 1987 and completion of construction by April 11, 1989. The site consists of two lots, one of which is owned by Phoenix Realty and the OPA includes a provision that if Phoenix is not the record owner of the other lot on or before December 31, 1986, the Agency has the option to terminate the OPA. Although staff considers further work remains to be done during the next design phases, the basic architectural design concept is acceptable in terms of the development program, massing and architectural form.

Mr. Mardikian noted his concern that the developer, due to the developer not going forward with his last two developments, would never proceed with this project and requested that the OPA termination date be tied to the option the developer has on Lot 12, which is part of the development.

Mr. Hamilton noted that the developer is proceeding with the project at his risk and not that of the Agency, but that the language in the OPA could be changed to note that the OPA would expire when the option on Lot 12 expires or December 31, 1986, whichever comes first.

Mr. Commons requested a report when the option date is up as to whether the option has been taken or the date extended.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-86 BE ADOPTED SUBJECT TO THE LANGUAGE IN THE OPA BEING CHANGED TO REFLECT THAT THE OPA WOULD EXPIRE WHEN THE OPTION ON LOT 12 EXPIRES OR ON DECEMBER 31, 1986, WHICHEVER OCCURS FIRST.

NEW BUSINESS (continued)

- (f) Resolution No. 56-86 requests authorization of an Owner Participation Agreement (OPA) with the Full Gospel San Francisco Church in connection with Parcel 724-B, Lot 33, located at the northeast corner of Webster and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (f) as follows. In accordance with an LDA authorized in December 1976 with the Assemblies of God, Northern California and Nevada District Council, Inc., a church and a one-story multi-purpose building were constructed on the subject parcel. In October 1984 the property was conveyed to the Owner, Full Gospel San Francisco Church, a non-profit organization, who now desire to replace the one-story building with a three-story multi-purpose building containing approximately 13,100 square feet. Since the proposed improvements are considered "major" modifications, an OPA is considered appropriate to facilitate the architectural control given the Agency under the Redevelopment Plan and provide assurance that the improvements will be constructed in accordance with the Plan and Agency requirements. The Agency will issue a Certificate of Completion upon satisfactory completion of construction.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-86 BE ADOPTED.

Mr. Gene Suttle, Project Director for the Western Addition A-2, introduced the following members of the Full Gospel San Francisco Church: Reverend Oh, Church Minister; Mr. Ahn, Financing Chairman; Mr. Chon, General Secretary; Mr. Tony Won, Building Construction Committee Chairman; and Mr. Yu & Associates, Architect.

- (g) Resolution No. 57-86 requests authorization of a Fourth Amendatory Agreement, which extends the Performance Schedule by ninety days, to the LDA with Nolan Frank for Parcel 1100-T, located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. In October 1984 an LDA was authorized for the construction of fifteen market rate residential condominiums and 2,000 square feet of retail space. First and Second Amendatory Agreements were authorized in May and October 1985 extending the performance schedule when Mr. Frank retained new architects, Arthur Silvers and Stoller Partners, to produce a more efficient and competitive development. In January 1986 a Third Amendatory Agreement approved the revised design which increased the number of units to twenty and reduced the amount of commercial space to 1,200 square feet while continuing to meet the density guidelines of the Redevelopment Plan. The

NEW BUSINESS (continued)

Schematic Drawings were submitted in a timely manner and subsequently approved by staff. However, the developer was placed in default for failure to submit preliminary construction documents by February 5, 1986. Mr. Frank recently advised that he has terminated his association with Stoller Partners and Mr. Silvers will complete the preliminary and final construction documents. Negotiating this new arrangement has caused a delay, resulting in the requested extension. The revised performance schedule would extend submission of evidence of financing from September 3 to December 3, 1986 and conveyance of the site from October 8, 1986 to January 7, 1987.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-86 BE ADOPTED.

- (h) Resolution No. 58-86 requests authorization of a Sixth Amendatory Agreement, which extends the Performance Schedule by ninety days, to the LDA with Essie Collins for Parcel 1126-B, located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Hamilton reported on item (h) as follows. In November 1983 an LDA was authorized for the construction of thirteen market rate condominiums. Subsequently, in August 1985, redesign of the project was approved in order to reduce costs and the new architects, Arthur Silvers and the Colyer-Freedman Group, simplified the building and added one unit. Although satisfactory schematic drawings and preliminary construction documents were submitted in a timely manner, the February 12, 1986 submission date for final construction documents was not met, resulting in the developer being placed in default. Ms. Collins advised that this delay was occasioned by revisions in the design to improve the exterior appearance of the building as well as provide further cost reductions. The proposed revised performance schedule calls for submission of final construction documents by May 14, 1986; submission of evidence of financing by September 10, 1986; and conveyance of the site by October 8, 1986.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-86 BE ADOPTED.

- (i) Resolution No. 59-86 requests authorization of a Second Amendatory Agreement, which extends the Performance Schedule by approximately ninety days, to the LDA with 1470 Golden Gate Condominiums for Parcel 754-B, located on the north side of Golden Gate Avenue between Pierce and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (i) as follows. An LDA was authorized in February 1985 for the construction of six market rate two-bedroom condominiums. Tax-exempt bond financing has been obtained through the Mayor's Office of Housing and Economic

NEW BUSINESS (continued)

Development to provide low interest mortgage money to the eventual purchasers. The required documents have been submitted in accordance with the terms of the LDA. However, a delay has been experienced in securing construction bids which, in turn, delayed the issuance of a construction financing commitment, resulting in the developer being placed in default. The proposed extension will allow time to secure a financing commitment and to secure a building permit which has already been applied for. The revised Performance Schedule would extend submission of evidence of financing from February 5 to May 7, 1986 and conveyance of the site from June 11 to September 12, 1986.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-86 BE ADOPTED.

- (j) Resolution No. 60-86 requests authorization of an Addendum to the Agreement contemplating a Negotiated LDA with the Nihonmachi Community Development Corporation in connection with the development by BUCHANAN/BUSH for Parcel 676-A, located on the southwest corner of Buchanan and Bush Streets in the Western Addition A-2.

Mr. Hamilton reported on item (j) as follows. BUCHANAN/BUSH, the proposed developer, is a California general partnership composed of Masao Ashizawa and Noboru Nakamura, both of whom have had a long term involvement in the revitalization of the Nihonmachi community. In accordance with previously approved plans, a building permit was applied for on December 11, 1985 for the construction of a four-story building containing eighteen market-rate condominiums at an estimated cost of \$2 million. Since market-rate condominiums for sale are involved, the addendum contains previously approved profit limitation language. Any such amounts that may be received will be utilized by the Agency to assist in affordable housing developments. The performance schedule calls for submission of evidence of financing by June 18, 1986 and conveyance of the site by July 16, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-86 BE ADOPTED.

- (k) Resolution No. 61-86 requests authorization to extend Exclusive Negotiations, until May 14, 1986, with Alvin Dworman, ada: San Francisco Development Company, for Parcel 3751-Q, located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. In October 1985 exclusive negotiations were authorized for the development of market-rate housing on the subject parcel. In accordance with

NEW BUSINESS (continued)

the exclusive negotiations, schematic drawings were submitted on December 11, 1985. However, the drawings were not found acceptable and after a series of meetings, staff so informed the developer on January 22, 1986. Subsequently, the design consultant firm of Stavi & Associates was retained to work with the developer's architect, Whistler-Patri, and a new design concept has been developed which is currently being worked upon with staff to further refine and finalize. Ground floor retail is consider desirable and a program evaluation, which will include retail in addition to the housing units, is expected to be completed by the developer in six to eight weeks, resulting in the requested extension. Negotiations on a draft LDA are also expected to be concluded during this extension period. When satisfactory schematics are received they will be brought before the Commission for approval, following which an additional sixty days will be required before the LDA is brought before the Commission for consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-86 BE ADOPTED.

- (1) Resolution No. 62-86 requests authorization of a new Memorandum of Agreement with United Public Employees Local 790 effective through January 31, 1987.

Mr. Hamilton reported on item (1) as follows. This Agreement covers approximately sixty employees in primarily clerical, accounting, and administrative, community service and other miscellaneous classifications. The previous agreement, re-negotiated in 1983, terminated on December 31, 1985, however, further extensions have been approved through March 11, 1986. Staff considers that the negotiations were conducted in a constructive manner and a wide range of union and management concerns were resolved. The new agreement has been ratified by the Union membership.

Ms. Laurie Smith, Local 790, urged adoption of the Memorandum of Agreement.

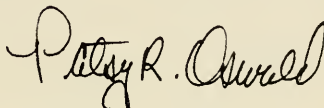
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on two separate matters of litigation pursuant to Government Section 54956.9(a). The names of the cases are: Dawson & J.R.'s Construction, Inc., et al. v. San Francisco Redevelopment Agency, et al. and Redevelopment Agency of the City and County of San Francisco v. Demca, Inc., et al.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a closed session on Litigation. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald  
Secretary

APPROVED

April 15, 1986



MAY 7 1986

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
18TH DAY OF MARCH 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of March, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

and the following was absent:

H. Jesse Arnette

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Tim O'Donoghue, O'Donoghue Industries, Inc.; Bob Bittner, Riedel International, Inc.; Larry Greer, ATAP; Ocie Mae Rogers, Hunters Point; Taylor Culver.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of December 17, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of January 28, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the closed session of February 18, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of February 25, 1986, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the closed session of March 4, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) Bayside Plaza, a recently completed office building with ground floor commercial, at 177 Steuart Street in the Rincon Point-South Beach Redevelopment Area, is celebrating their formal opening of the building and the turn-on of Ruth Asawa's water sculpture "Aurora" March 19 at 11:30 a.m.
- (b) ATAP will be holding an Open House on, March 27 at 10:30 a.m. They have constructed nine attached single family homes, which are nearing completion, with an estimated selling price of \$89,000. The developer is using the City's Mortgage Revenue Bond program for permanent financing.

NEW BUSINESS

- (a) Resolution No. 63-86 requests authorization of a First Amendatory Agreement to the LDA with Fillmore Center Developers for Parcel 707-A, 726-A, 731-A, 750-A and a portion of Ellis Street located between Fillmore, Geary, Steiner and Turk Streets and Parcel 749-C located on the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In November 1985 an LDA was authorized for the construction of approximately 1,113 rental units with a large garden and health club; 73,000 square feet of retail commercial; and a community center of at least 16,000 square feet. Although the Developer's architects, Daniel, Mann, Johnson and Mendenhall (DMJM), have been meeting regularly with staff and consultants and the schematic design of the commercial and residential buildings is almost on schedule, the community center design is not included in that schedule. A search for a minority architect with experience in such projects to design the center has caused a delay in preparation of schematic drawings; however, the firm of Michael Stanton and Gerson-Overstreet has now been selected for that purpose. The entire development will be constructed in three phases. The design work on all phases is proposed to proceed simultaneously with the exception of the community center. Since construction of the center is not scheduled to commence for almost a year, the developer has proposed a separate design schedule of approximately five months behind the submission schedule for all of the other parcels, with construction of the center to start no

NEW BUSINESS (continued)

later than February 7, 1987. In addition, a two week extension, until April 2, 1986, has been requested for submission of the schematic drawings for the residential and commercial space.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-86 BE ADOPTED.

- (b) Resolution No. 64-86 requests authorization of a First Amendatory Agreement to the LDA with Rody Leano for 906 Steiner Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In June an LDA was authorized for the rehabilitation of this two-story Victorian building constructed in 1887. Although the rehabilitation construction documents were approved, the developer has been unable to obtain the required evidence of financing and, as a consequence, was placed in default on February 21, 1986. Since the proposed lender, Time Savings, who had indicated a willingness to provide construction financing, will not re-write the loan as permanent financing, it has become necessary to seek take-out financing through alternative lenders. The developer is diligently pursuing the financing requirement and therefore requested May 14 for submission of evidence of financing and July 30, 1986 for conveyance of the site is considered to be appropriate. The proposed amendment also extends the date for submission of revised construction costs to April 16, 1986, since the construction drawings are being revised to reduce the loft space in efforts to reduce construction costs.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-86 BE ADOPTED.

- (c) Resolution No. 65-86 requests authorization to award Site Improvement Contract No 44R to Tamal Construction Co. in an amount not to exceed \$117,730.80 on the basis of lowest responsive bid received, Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The contract provides for construction of concrete planting beds, installation of landscaping with irrigation system, and the fabrication and installation of four metal wall graphics at the Geary Street underpass at Fillmore. Street. This contract previously bid as site Improvement Contract No. 44, was rebid as 44R and two bids were received, one from Ambo Concrete, Inc., the apparent low bidder and one from Tamal Construction. After staff's unsuccessful attempts to get Ambo to adhere to the Agency's Affirmative Action Goals, which is a pre-award requirement, Ambo has been advised that staff is recommending award to Tamal Construction Co. Both Tamal's written Affirmative Action and Safety programs are considered satisfactory and have been approved by staff.

NEW BUSINESS (continued)

Although Tamal's bid is 7.4% above Ambo's, and 14.3% above the Engineer's Estimate, it is considered reasonable when considering constraints to contract activities due to traffic conditions which was the reason three other potential prime contractors did not bid the contract. Staff also believes that rebidding the contract may not produce more favorable bids. Tamal Construction Co., located in Richmond, California, has previously performed satisfactory work for the Agency in the Western Addition A-2, Diamond Heights and Hunters Point project areas.

In reply to Mr. Lee's inquiry, Mr. Earl P. Mills, Deputy Executive Director, indicated that Ambo had refused to commit to the Agency's Affirmative Action Goals.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-86 BE ADOPTED.

- (d) Resolution No. 66-86 requests authorization of a Professional Services Contract with Katz Hollis Coren & Associates, Inc., in an amount not to exceed \$20,000, in connection with amendments to the Redevelopment Plans for Golden Gateway, Hunters Point, India Basin Industrial Park and the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. Senate Bill 690, enacted on September 16, 1985, requires that redevelopment plans adopted prior to October 1, 1976, and which contain tax increment provisions, be amended to place limitations on the amount of tax increment funds that may be divided and allocated to the Agency under the plan and time limits on the establishment of indebtedness to finance the project and for the commencement of eminent domain proceedings to acquire property within the project area. This Bill requires that an ordinance containing these limitations be adopted on or before December 31, 1986, and it is therefore necessary to prepare the necessary financial information for the redevelopment plans affected. Although the Western Addition A-2 Plan currently does not contain tax increment financing provisions, it is proposed to include such provisions as part of an amendment to that plan. Katz Hollis Coren provided information for the Yerba Buena Center Plan proposed amendment and it is considered that this consulting firm offers the most expertise and demonstrated capability to perform these financial services. The contract fee for these services, which services are necessary to assist staff in preparation of amendments to the four plans in order to comply with State law, would not exceed \$20,000 and would be on a time and materials basis. Also, staff considers that the limited and technical nature of the scope of work does not warrant Errors and Omissions coverage and it is therefore proposed to grant the contractor's request to limit its obligations to only those circumstances which include its negligence or other wrongful conduct.

NEW BUSINESS (continued)

Mr. Commons inquired if the plan amendments had a practical or technical effect and Mr. Conrad, Chief of Planning and Programming, indicated that they would have a technical effect. Mr. Hamilton added that the plan amendments were necessary to comply with a new State law.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-86 BE ADOPTED.

- (e) Resolution No. 67-86 requests authorization to extend exclusive negotiations, until June 18, 1986, with Delancey Street Foundation, Inc. for the Site J located in the block bounded by First and Brannan Streets and the Embarcadero in Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. In August 1985 exclusive negotiations were authorized for the construction of 177 dwelling units and the development of 56,000 square feet of commercial space. In December 1985, an extension of the negotiations was approved to March 18, 1986. Since that time, schematic designs have been submitted but further discussions need to take place regarding the financing evidence submitted and sublease negotiations. Although preliminary negotiations for the proposed terms and conditions of an agreement to enter into a development sublease have not been concluded, completion is expected shortly and will be the subject of a closed session within the next two weeks. It is believed that the requested three month extension will be sufficient time to conclude negotiations, following which the schematic designs and an agreement to enter into a development sublease will be brought before the Commission for consideration. This request is considered to be reasonable, since failure to conclude negotiations by March 18 has been caused by circumstances beyond the control of the developer. It should also be noted that on-going negotiations with the State Lands Commission and the decision making process regarding 1-280 impinge upon the site and need to be resolved before actual development activities can take place.

Mr. Mardikian inquired if the proposed extension would provide sufficient time to resolve all the occurrences affecting the project. Mr. Hamilton indicated that it was anticipated these issues would be clarified during the requested extension period. However, if this was not the case then a progress report would be made at that time.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-86 BE ADOPTED.

- (f) Resolution No. 68-86 requests authorization to substitute United Mechanical Plumbing and Piping Corporation for Dewpoint Construction Services, Inc. for the mechanical work under Contract I - HARBOR in Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (f) as follows. This contract with Riedel International, Inc. provides for the construction of the South Beach small boat harbor. On January 7, 1986, Riedel terminated Dewpoint's contract to perform electrical and mechanical work, based upon failure to perform and advised the Agency of its intention to seek substitute subcontractors to ensure timely completion of the work. Dewpoint failed to respond within the specified time to the Agency's January 21, 1986 notification of Riedel's intention to substitute, and thereby, pursuant to Government Code Section 4107, consented to the substitution. The substitution of Amelco Electric for Dewpoint to perform the electrical work was subsequently approved on March 4, 1986. United Mechanical, located in Lemon Grove, California, has qualified as a Minority Business Enterprise and the firm's President, Mr. Ben Johnson, is from the Pacific Islands. This MBE participation, added to Riedel's Minority and Woman Business Enterprise performance and commitments will meet or exceed the contract goal of \$1.9 million. Riedel has provided a letter dated February 24, 1986, holding the Agency harmless against any damages that may be claimed by Dewpoint arising from the Agency's consent to substitution. This substitution does not change the contract price or the time of performance of the contract.

Mr. Lee inquired why a local minority contractor was not selected and Mr. Bob Bittner, representing Riedel, indicated because United Mechanical was the low bidder on this contract.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-86 BE ADOPTED.

- (g) Resolution No. 69-86 requests authorization to amend Resolution No. 217-83 (Bond Resolution) to provide for a Substitute Letter of Credit concerning the Yerba Buena Center Liquidity Facility Revenue Bond, Series 1983; and authorization to execute an Amended and Restated Reimbursement Agreement, both in connection with Yerba Buena Center.

Mr. Hamilton indicated that staff is requesting that this item be held over for one week to allow additional time to finalize preparation of documents.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (g) would be continued for one week at staff request. There being no objection, it was so ordered.

- (h) Resolution No. 70-86 requests authorization of an Eighth Amendment to Agreement for Legal Service with Steefel, Levitt & Weiss, which increases the overall contract amount by \$60,000 in connection with Yerba Buena Gardens in Yerba Buena Center.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (h) as follows. This firm was closely involved in the YBG Project with Joseph Coomes and Agency staff over several years in extensive and complicated negotiations with the Developer, culminating the 3,000 page Disposition Agreement. It acted as the Agency's legal advisor in the real estate, financing and leasing arrangements pertaining to the Agreement. The closing of the hotel phase is now imminent and the Developer has submitted for Agency approval: a revised financing plan for the construction of the hotel; the required Hotel Management Agreement; the Technical Services Agreement; and related collateral assignment attornment documents, all of which require careful and extensive review, analysis and evaluation. The continued involvement of the firm is considered vital as the project is implemented, particularly when taking into consideration their familiarity with the documents as well as the demonstrated expertise of the firm in real estate and financing. All prior authorized amounts have now been expended and, because of the urgency of the matter, the services of Ted Steefel have already been utilized on a limited basis, thereby incurring expenses of a portion of the \$60,000 being requested. Although the firm has consistently provided highly satisfactory professional services, in keeping with Agency policy, the good faith affirmative action efforts of any contracting party are examined at the time of each proposed contract amendment. Following a detailed review and analysis of the firm's hiring policy since the last contract amendment in 1985, it is considered they have demonstrated good faith affirmative action efforts and a genuine commitment to minority hiring. However, this situation will continue to be closely monitored to ensure these efforts continue.

**ADOPTION:** IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-86 BE ADOPTED.

- (i) Resolution No. 71-86 requests authorization to extend Exclusive Negotiations, until April 30, 1986, with O'Donoghue Industries, Inc. for Parcel AA-2 located on the northerly side of Keith Street between Hudson and Fairfax Avenues in Hunters Point.

Mr. Hamilton reported on item (i) as follows. Exclusive negotiations, authorized in September 1985, for the construction of forty-eight dwellings units were subsequently extended from November 13, 1985 to February 12, 1986 and then to March 19, 1986. Although all requirements of the exclusive negotiations have been met, staff and the developer need additional time to analyze the project and the proposed LDA, resulting in the requested extension which will also allow time for publication of the public hearing notice.

NEW BUSINESS (continued)

Mr. Tim O'Donoghue, O'Donoghue Industries, Inc. indicated that he would like to clarify an apparent misunderstanding that he had found fault with the Agency staff. To the contrary, staff had been most helpful assisting in efforts to deliver the project at an economic price and it was his own frustrations in putting the package together that was causing the problem.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-86 BE ADOPTED.

- (j) Resolution No. 72-86 requests authorization for David Stoloff, Senior Development Specialist, to travel to Los Angeles, California, April 6-10, 1986 to attend the National Conference of the American Planning Association at a cost not to exceed \$890.

Mr. Hamilton reported on item (j) as follows. This conference will include workshops and training sessions led by nationally recognized experts on the development and financing of affordable housing, innovative means of providing municipal services, intergovernmental relationships, development project financing and other issues of direct relevance to the Agency and Mr. Stoloff's responsibilities.

Mr. Commons inquired if the Mayor still had a ban on travel and Mr. Hamilton indicated that the ban had been lifted.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-86 BE ADOPTED.

- (k) Resolution No. 73-86 requests authorization to pay National Association of Housing and Redevelopment Officials (NAHRO) annual dues in an amount of \$1,602.

Mr. Hamilton reported on item (k) as follows. This organization has been most effective in the formulation of national housing and community development policy, procedure and legislation and has assisted in obtaining HUD rulings and waivers beneficial to the Agency. Continued membership in NAHRO is therefore believed to be of importance when taking these factors into consideration. The formula for calculating membership dues is based on the population of the city in which the Agency has jurisdiction and HUD recognizes the value of NAHRO by allowing payment of dues from Federal funds.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-86 BE ADOPTED.

- (l) Resolution No. 74-86 requests authorization of a First Amendment to the Personal Services Contract with Warren, McVeigh & Griffin, which increases the contract amount by \$3,000 for as-needed Risk Management Consultant Services.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (1) as follows. This contract, authorized in May 1985, included in a scope of services in four phases to: perform a risk management study; assist in the development of a risk management program; assist in implementing the program through a broker selection and bidding process; and perform on-going consultation services on a retainer basis. The firm does not provide any brokerage services which removes any potential for conflict of interest in advice given regarding the placement of insurance coverage. Given the state of the insurance industry, it is anticipated assistance will be needed in placing the Agency's general liability and automobile liability insurance prior to expiration in April 1986. In the event of failure to place this coverage, the consultant will assist in the development of a reserve and self-insurance program or the possibility of forming a Joint Powers Agreement which would in effect spread the risks among participating organizations.

Ms. Berk inquired as to the availability of organizations to participate in a Joint Powers Agreement. Mr. Nybakken, Administrative Services Officer, replied that other Redevelopment Agencies that are independent from cities and counties were being approached but, to date, none willing to participate had been found. In the meantime, placement of insurance coverage was actively being pursued.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 75-86 requests authorization of a First Amendatory Agreement, which permits issuance of certificates for individual units, with A.T.A.P. International, Inc. for the parcels located on the southerly side of Hudson Avenue near Keith Street in Hunters Point.

Mr. Hamilton reported on item (a) as follows. ATAP, a minority-owned development company based in Richmond, California, has constructed nine attached single-family homes, each with a two-car garage, all of which are nearing completion. City Mortgage Revenue Bond funds for permanent financing will be utilized for the homes which have an estimated selling price of \$89,000. It was originally anticipated that the nine units would be completed simultaneously, however, it now appears some will be completed before others, thereby necessitating the issuance of individual certificates.

Mr. Commons inquired if the Agency was subject to any liability if the certificates are issued separately. Mr. Borregard, Agency General Counsel, indicated that this was being done to assist the developer and there is no risk to the Agency.

NEW BUSINESS (continued)

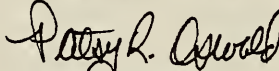
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS,  
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-86 BE ADOPTED.

President King indicated that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Carlin Company, Inc. v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

April 22, 1986

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
25TH DAY OF MARCH 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of March, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

and the following were absent:

H. Jesse Arnelle  
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Matthew Huey, Innerland Development & Investment; Howard Wexler, AMC; Mary Rogers, Western Addition A-2; Ocie Rogers, Hunters Point; Robert Clay.

Representing the press was: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of December 10, 1985, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of January 28, 1986, as distributed by mail to the Commissioners be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) On March 19, Bayside Plaza, a recently completed office building at 177 Steuart Street in the Rincon Point-South Beach

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Redevelopment Area, celebrated their formal opening of the building. The Mayor turned on Ruth Asawa's water sculpture. President King and Commissioner Berk were also in attendance.

UNFINISHED BUSINESS

- (a) Resolution No. 69-86 requests authorization to amend Resolution No. 217-83 (Bond Resolution) to provide for a Substitute Letter of Credit concerning the Yerba Buena Project Liquidity Facility Revenue Bonds, Series 1983; and authorization to execute an Amended and Restated Reimbursement Agreement, both in connection with Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. In August 1983 the Agency issued its \$28 million Liquidity Facility Revenue Bonds, Series 1983 (Bonds) in order to obtain funds with which to purchase the GSA site in YBC and to repay the balance of the HUD loan for YBC. The Bonds, which are additionally secured by a letter of credit issued by the Bank of America, bear a floating interest rate which has resulted in an average cost to the Agency of approximately 7.5 percent. The Bank's credit rating has recently been lowered and, in order that the resulting adverse effect on the Bonds be rectified, it has arranged for the Sumitomo Bank to issue its letter of credit as a substitute for the one now in effect. It is necessary to amend the Bond Resolution to permit the Sumitomo letter of credit as an alternative since the Resolution now refers specifically to the Bank of America and its Letter of Credit. To accomplish this, an Amended and Restated Reimbursement Agreement between the Agency, the Bank of America and Sumitomo, on substantially identical terms as the original agreement, is also necessary. The proposed amendment is in the best interests of the Agency as it will not only restore but upgrade the rating on the Bonds. The alternative security for the Bonds provided by the Sumitomo letter of credit has been arranged by the Bank of America at no additional cost to the Agency, and it has been reviewed and approved by the Agency Bond Counsel for the transaction.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 76-86 requests authorization of a First Amendatory Agreement to the LDA with Robert and Dorothy Clay for 1985 Ellis Street in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. In June 1985 an LDA was authorized for the rehabilitation of this three-story Edwardian, constructed in 1910, as a twelve unit apartment building. To date, the LDA performance schedule has been met, however, the developers recently indicated that evidence of financing cannot be submitted by the scheduled date of March 26, 1986. The requested ninety day extension will allow additional time for processing of loan applications which have been made to three separate lenders. This extension is considered to be appropriate because more time is required to process loans due to the current lower interest rates and the resultant increased volume of loan applications. The revised performance schedule calls for submission of evidence of financing by June 25 and conveyance of the site by August 27, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-86 BE ADOPTED.

Mr. Gene Suttle, Project Director for Western Addition A-2, introduced the developer Mr. Robert Clay who is a Certificate Holder.

- (b) Resolution No. 77-86 requests authorization to extend the Conveyance Date from March 26 to April 25, 1986, to the LDA with Innerland Development and Investments for 1734-1738 Laguna Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In June 1985 an LDA was authorized for the rehabilitation of this three-story Edwardian, constructed in 1905, as a three unit apartment building. All pre-conveyance requirements have been met in a timely manner with the exception of staff approval of the contractor's affirmative action program. A licensed construction firm, owned by David Lem, who has a 16% joint venture ownership in the project, has now been proposed as the general contractor. Additional time is required to evaluate the qualifications of this firm and its affirmative action program, resulting in the requested thirty day extension.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-86 BE ADOPTED.

Mr. Gene Suttle introduced the developer Mr. Matthew Huey, who is a Certificate Holder.

President King indicated that item (d) would be taken up before item (c).

- (d) Resolution No. 79-86 requests authorization to establish goals and set-asides for 1986 Contract Awards to MBEs and WBEs pursuant to City and County of San Francisco Ordinance No. 139-84.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (d) as follows. All City and County Departments are required to comply with the subject Ordinance which requires them to establish annual goals and set-asides for the award of contracts to MBEs and WBEs. The Ordinance allows each department to establish its own goals but the overall aim is for a 30% MBE goal and a 10% WBE goal. Although the Agency, as a separate entity, does not have to comply with the Ordinance, it is staff's opinion that goals and set-asides should be voluntarily implemented. For 1985 an amount of \$1,160,540 was budgeted providing MBE/WBE set-asides of 10/2% and goals of 22%/5% which were met. However, the 1986 budget sets forth \$4,565,781 in work items that the Agency has discretion in the selection of the contractors and then may award to MBEs/WBEs, which is considerably higher than the amount budgeted in 1985. Consequently, staff is unable at this point in the year to identify specific work items for which MBE/WBE contractors can be pursued. Therefore, goals have been set forth on a project by project basis, after separating the budgeted amounts for administrative expenditures and property management. Although, based upon an initial evaluation, it is believed 15% MBE and 3% WBE goals may be attainable, progress will be carefully monitored and Commission authorization may be sought in late summer to alter the goals. Set-asides, consistent with the City's Ordinance of 10% MBE and 2% WBE are only slightly less than the total 1985 achievement.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-86 BE ADOPTED.

- (c) Resolution No. 78-86 requests conditional Approval of the Preliminary Design for American Multi Cinema's (AMC) Kabuki Theater on Parcels 1 and 2 in the Japanese Cultural and Trade Center (JCTC) in the Western Addition A-1.

Mr. Hamilton reported on item (c) as follows. In July 1985, following testimony from members of the Western Addition Community and a presentation of design drawings, the appropriateness of AMC's proposal to renovate the Kabuki Theater into a multi-screen cinema was confirmed. Since there were important community issues relating to the Kabuki Theater conversion, the drawings included detailed floor plans and building sections of the proposed interior modifications. The exterior design was much less developed and represented only a basic design approach. Subsequently, a great deal of consideration was given to the exterior of the building as to how to achieve elevations from Post Street and the extent to which it would be necessary in the design evolution to disturb or break-through the facade on Fillmore Street of the existing building. At the time the memorandum was forwarded to the Commission, because of most recent information received from the

NEW BUSINESS (continued)

Developer, staff was still operating under the assumption that indeed a break-through of the Fillmore facade was going to be necessary. In view of this it was suggested that certain changes be made along the facade that would have permitted retail commercial. However, today advice was received that a solution to the problem which had necessitated that break-through has been achieved that will not disturb the exterior facade along the Fillmore frontage. This solution will be described in briefings and drawings that will be presented. Staff finds the proposed design for the multi-cinema acceptable but there are some detailed design concerns which will require further attention during the final construction document phase.

Mr. Edmund Ong, Chief of Architecture, made a presentation of the proposed exterior design and noted staff's design concerns which will require further attention during the final construction document phase.

Mr. Newman inquired about the wall of the building on Fillmore Street and Mr. Ong indicated that, basically, the Developer has left the wall alone as far as construction goes for this phase, however, it will be looked at during the next phase.

Mr. Newman inquired if only retail was planned for this space and Mr. Hamilton indicated that staff would prefer a modification of the existing wall with retail, however, the Developer does not find it economically feasible at this time.

Mr. Commons referred to community concerns expressed previously regarding parking and inquired as to staff's view of the parking arrangements being entered into. Mr. Hamilton indicated that staff had equal concern about the parking arrangements and called upon Mr. Howard Wexler, Counsel for AMC, to inform the Commission of the current status of the parking arrangements. Mr. Wexler indicated the documents are in the process of being prepared for an agreement with the Western Addition Parking Corporation. This three year agreement, which is expected to be completed within thirty days, will then go before the Parking Authority and the Board of Supervisors for approval.

David Oster, Assistant Agency Counsel, indicated that the resolution before the Commission should now be modified to exclude reference to the proposed exit stairway and retail commercial space on Fillmore Street.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-86 BE ADOPTED, SUBJECT TO AMENDMENTS AS DESCRIBED BY STAFF.

- (e) Resolution No. 80-86 requests authorization to engage Cardelli Graphics to reproduce the 1986 edition of the San Francisco Redevelopment Program in an amount not to exceed \$10,018.46.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (e) as follows. The Cardelli Graphics' bid was the lowest responsible estimate of three local printers solicited. This annual publication, commonly known as the Fact Book, describes the current status of all redevelopment programs and is considered a forceful document externally and is a valuable document used internally for reference purposes.

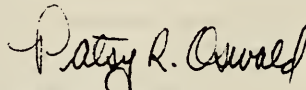
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-86 BE ADOPTED.

President King announced that there would be a Closed Session on the subject of real property negotiations, pursuant to Government Code Section 54956.8.

ADJOURNMENT:

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session. The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

April 29, 1986

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
1ST DAY OF APRIL 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of April, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnette  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee

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and the following was absent:

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Haig G. Mardikian

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: The Honorable Doris Ward, Supervisor; Rich Nichols, Aide to Supervisor Willie B. Kennedy; Gail Bowman, Mayor's Office of Housing and Economic Development; Representing Safeway Stores, Inc.: Larry Dillard, Maureen McDonough, Marianne Jones, Patty Carlson, Carolyn Wimberly, Kevin Crane, Louie Gonzales, Fred Jackson, Mike Daniels, Phyllis Jones, Debra Williams, Tina Louise Johnson-Richardson, Tracy P. Smith; Terry Rawlings, Ella Hill Hutch Community Center; Ron Sugiyama, NCYC; Mary Helen Rogers, Ocie Rogers, Yori Wada, Tim Dupre, Mary M. Jackson and Sherman Hill.

NEW BUSINESS

- (a) Resolution No. 81-86 through and including Resolution No. 88-86 requests authorization to extend Exclusive Negotiations, until May 6, 1986, with eight prospective developers of various lots in Site S-4, located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on item (a) as follows. The subject resolutions request authorization to extend exclusive negotiations, until May 6, 1986, with eight prospective developers of various lots in Site S-4 located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point. Exclusive negotiations with eleven developers, authorized in

NEW BUSINESS (continued)

August 1985, were subsequently extended to December 31, 1985 and then to April 2, 1986. The developers of three lots, who opted to develop their homes individually, each indicated they would be able to provide written confirmation of the availability of financing and a valid building permit. Since such written confirmation has not been forthcoming, staff therefore reluctantly proposes that no further extensions be granted to these developers. However, if it will not disrupt the time table of the eight developers who opted to develop their homes as a group, consideration may be given to allowing them to join the group. Since December 1985, staff has had seven meetings with the owner group and prospective lenders or prospective contractors. One of the prospective lenders has offered to consider a single construction loan to a bankable builder/developer and two potential builders were evaluated by the lender and found to be acceptable. In addition, the group met with the lender's representative to preliminarily review individual financial statements. Therefore, a thirty day extension for this group appears to be appropriate and would also include approval of Jimmie and Earnestine Wilson to change from Lot 4 to Lot 16. Under the proposed program, the builder will have to become the single designated Master Developer to demonstrate the site control required to acquire the construction loan. Since Developer/Purchaser rights and obligations will be protected by a Purchase Agreement with the Master Developer, an LDA is required with the Master Developer and he must enter into purchase agreements with each of the eight developers. Once the LDA and Purchase Agreement have been approved by the builder, the group of eight and Agency, and the transaction has been properly noticed, this alternative program will be brought before the Commission for consideration. Staff is confident the program will lead to the successful development of homes on the S-4 lots. The twenty-two persons on the S-4 waiting list have been advised of the availability of the three lots presently unassigned and the three lots that the prospective developers failed to develop and six have indicated an interest. Upon approval of this alternative development approach, a marketing program will be initiated to solicit other interest for the unassigned lots and for the assigned lots in the event of a purchaser withdrawing.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-86 THROUGH AND INCLUDING 88-86 BE ADOPTED.

- (b) Resolution No. 89-86 requests authorization to extend the Schedule of Performance by thirty days for Yerba Buena Gardens Phase 2 in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. This extension would extend all Phase 2 performance dates, including construction commencement and completion of all the YBG Central Blocks, with the exception of the hotel. Following a request to the Mayor by the San Francisco Visitors and Convention Bureau and

NEW BUSINESS (continued)

a Chamber of Commerce Committee for additional exhibit space for the Moscone Convention Center, the Mayor directed the Chief Administrative Officer to convene a group to analyze its effect. Although the report is expected to be forthcoming shortly, because of the uncertainty it has created, the Developer has requested advice in writing of the estimated time needed to conclude the study and resolve these issues. It is therefore considered appropriate to grant the requested extension upon the understanding that the exact extension date is to be determined by the Executive Director should the study be concluded prior to the expiration of the proposed thirty day extension period.

Mr. Newman inquired whether it would be appropriate for the Commission to take a position on the matter and make a recommendation to the Task Force and Mr. Hamilton indicated that at this time, the alternative has not sufficiently advanced. However, when there is serious consideration of a proposal, a formal presentation will be made to the Commission, at which time the Commission could take a position and make a recommendation.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-86 BE ADOPTED.

President King indicated that, at staff request, item (c) would be taken up later in the meeting.

- (d) Resolution No. 91-86 requests authorization of a Third Amendment to the Personal Services Contract with Arthur Silvers for architectural design in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The original contract, approved in March 1985, was subsequently amended reducing the liability insurance from a \$2 million combined single limit to \$1 million. In January 1986 a Second Amendment increased the maximum contract amount by \$46,500 and provided that the hourly rate of \$93.55 and the maximum limits of liability insurance could be reduced in the event of Mr. Silvers moving to the San Francisco Bay Area. Mr. Silvers moved to the Bay Area effective April 1st and has agreed to the reduction of his hourly rate to \$70 which is consistent with the rate paid to other design consultants serving the Western Addition project. However, a problem has been encountered in obtaining general liability insurance and the Agency's liability insurance broker and Risk Management Consultant both concur that the market conditions make it very difficult for a small contractor to receive any level of general liability insurance. In addition, many insurers require that an expensive errors and omissions policy be in place which is not needed for the services Mr. Silvers provides. The primary source of general liability risk to the Agency in the type of services Mr. Silvers provides lies in the area of personal injury which includes such items as libel and slander. Since, based upon prior experience with Mr. Silvers, it is considered that the level of exposure by not

NEW BUSINESS (continued)

requiring the general liability insurance is minimal, it is proposed that it be waived.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-86 BE ADOPTED.

- (e) Resolution No. 92-86 Commends and Expresses Appreciation to Safeway Stores, Inc. for providing Employment Opportunities in the Western Addition A-2.
- (f) Resolution No. 93-86 Commends and Expresses Appreciation to the Western Addition Screening Committee as a Valuable Resource for Employment Opportunities in the Western Addition A-2.

Mr. Hamilton reported on items (e) and (f) as follows. In August 1981 an LDA was authorized with Safeway for the construction of a 47,000 square foot supermarket. Safeway also agreed to construct, on behalf of the Agency, a 71,000 square foot retail/office building and to purchase the Mayfair market at Geary and Webster Streets, to be conveyed to the Agency at reduced price. Following discussions between Agency staff, Safeway and the Mayor's Office of Economic Development, Safeway agreed to initiate a pre-training employment program and classes commenced in March 1982 at the East Bay Skill Center. Funds of \$42,275, provided by Safeway and the Private Industry Council, were administered by the Council which provided for an instructor, with each trainee being paid \$3.35 per hour, plus transportation costs. A Screening Committee of neighborhood organizations was formed comprised of: Booker T. Washington Community Service Center; Buchanan YMCA; Bay Area Urban League, On Job Training Project; Japanese Community Youth Council; Department of Employment and Development; Cooperative Housing Coordinating Council; Operation Contact; and the Western Addition Project Area Committee. The Committee was staffed by Agency personnel: Gene Suttle, Louis Preston and Shirley Wysinger. Selection criteria for the initial pre-training program, with a goal of fifty area residents, included being a Western Addition resident, to be currently unemployed, a minimum age of eighteen years and CETA eligible. With the objective of sending to Safeway only individuals most likely to be hired, potential students were tested and those selected were sent to classes lasting five weeks to learn basic skills for entry level positions. Over a period of seven months, the Committee reviewed over 1,000 applications, pre-screened and interviewed 500 applicants to reach its goal of fifty pre-training students, all of whom were employed by Safeway upon completion of the course. The Committee now holds bi-monthly meetings with Safeway who report any new hires or changes in employment status. Including the fifty persons who participated in the pre-training program, Safeway has hired a total of one hundred and twenty-eight Western Addition residents. It is significant at this time to recognize the efforts devoted by the community, Safeway and all other cooperating agencies who contributed to the success of the

NEW BUSINESS (continued)

program and its ongoing recruitment activities. In addition, the Screening Committee has now been charged with working with the Fillmore Center developers to provide a maximum of employment opportunities to Western Addition residents.

Mr. Hamilton acknowledged the presence of Supervisor Doris Ward and Mr. Rich Nichols, Supervisor Willie Kennedy's Aide.

Ms. Maureen McDonough, Safeway Stores, Inc., introduced the representatives from Safeway and Ms. Mary Rogers introduced members of the Screening Committee from various organizations and the Safeway trainees.

Mr. Gene Suttle, Project Director, Western Addition A-2, noted that Safeway only had an obligation under the LDA to work with the Screening Committee through September 1985, however, they have continued these efforts. He then introduced Ms. Gail Bowman of the Mayor's Office of Housing and Economic Development and acknowledged the efforts of those persons, although some of whom were not present at the meeting, had contributed to the success of the program.

Supervisor Ward noted her pleasure in being able to participate in the ceremonies and read the following Proclamation from the Mayor:

"As Mayor Feinstein proclaims that, whereas, Safeway Stores, Inc. is the first large developer in San Francisco's Fillmore Center and has constructed its first Northern California super store on this site and, whereas, Safeway Stores, Inc.'s participation in the Fillmore Center was facilitated by an Urban Development Action Grant (UDAG), obtained through the Mayor's Office of Housing and Urban Development and assisted by the San Francisco Redevelopment Agency and, whereas, the Fillmore Center Fillmore Store has already become a major source of employment opportunities in the City's Western Addition and has hired over one hundred local residents and, whereas, Safeway Stores, Inc. has also agreed to undertake construction of 71,000 square feet of commercial office space on Fillmore Street under the UDAG program and, whereas, San Francisco is pleased to commend Safeway Stores, Inc. as a model of community corporation in the Fillmore Center now, therefore, be it resolved that I, Dianne Feinstein, Mayor of the City and County of San Francisco, do hereby proudly congratulate Safeway Stores and do thank its Management for its fine public services and in witness whereof I have hereunto set my hand and caused the seal of the City and County of San Francisco to be affixed to this Twenty-Eighth day of March Nineteen Hundred and Eighty Six.

Dianne Feinstein, Mayor"

NEW BUSINESS (continued)

Supervisor Ward then presented the Proclamation to Mr. Larry Dillard, Manager of Safeway Stores, Inc., who expressed his appreciation.

Mr. Newman indicated that the Safeway Store is a landmark in San Francisco and all are beneficiaries of the fact that the store was established here by the largest supermarket chain in the country. He suggested that the resolution commending Safeway be amended to include an expression of appreciation to Mr. Peter A. McGowan, Chairman of the Board and Chief Executive Officer, who is responsible for this being achieved and who personally took a great deal of interest in seeing this project completed.

The Commissioners congratulated Safeway for producing a remarkable store, which greatly benefits the community.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-86 BE ADOPTED, AS AMENDED TO COMMEND MR. PETER MAGOWAN.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-86 BE ADOPTED.

President King indicated that, although item 10 (a) would be acted upon before 9 (c), Mr. Hamilton would first present item (c).

- (c) Resolution No. 90-86 requests authorization of an Amended and Restated Indenture of Trust and Financing Agreement relating to the Agency's Weekly Adjustable/Fixed Rate Multifamily Housing Mortgage Revenue Bonds (Bonds), 1985 Issue E, in the Aggregate Principal Amount of approximately \$46,655,000, for the South Beach Marina Project in Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. These Bonds were issued on December 20, 1985, for a term of forty-three years, to provide permanent financing for 414 residential units and 8,000 square feet of ground floor commercial space to be constructed by SBMA, Ltd. The Bond documents require that additional security for the Bonds be provided by FHA co-insurance and by the Government National Mortgage Association. Since SMBA had not obtained a final commitment for FHA insurance at the time of issuance, the Bonds were structured to bear a fixed interest rate until February 4, 1986 and, thereafter, a floating rate to be determined weekly by Smith Barney, Harris & Upham Company. Once the final commitment for FHA insurance is obtained, the interest rate on the Bonds may be converted to a fixed rate through maturity. In view of the current low interest rates, particularly for tax-exempt bonds, SBMA desires conversion to a long term fixed rate, notwithstanding the fact that a final FHA commitment has not been issued. The proposed

NEW BUSINESS (continued)

resolution will permit SBMA to achieve a very substantial interest savings which will enhance the feasibility of the project and its long term success. The benefits to the project which accrue because of these proposed actions will necessitate a change to the Owner Participation Agreement which will be presented as an Off Agenda item prior to a request for approval of this item.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution 94-86 requests authorization of a Second Amendment to the OPA with SBMA, Ltd., which modifies the Lender Protection and Fee Loan Provisions, for the development of Site I-2, Assessor's Block 3789, Lots 26 and 27, located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Leo E. Borregard, Agency General Counsel, reported that, since a final FHA co-insurance guarantee had not been received, it is proposed to amend the OPA with respect to certain FHA requirements which may be imposed relative to foreclosure as a condition of HUD's co-insurance. Staff had endeavored to hold discussions with FHA with a view to ascertaining to what extent they would accede to some modifications but, unfortunately, persons with authority to agree to these matters could not be reached. In the event that HUD required amendments are found to be no longer required, then the original document approved by the Commission would return to its former status. In addition, another modification to the OPA has been developed whereby the provision that the Agency's loan of approximately \$465,000 could be utilized for site improvement work, would be deleted, with the best efforts of the Agency to secure the City to perform the work remaining. Originally the loan was for a total of two years without interest plus three years with interest. It is now proposed that the loan remain at two years without interest but be extended to five years with interest.

Ms. Mary Rogers expressed concern that there was a possibility that HUD would take the low to moderate income requirements out of the project. Mr. Borregard explained that HUD is controlling the low to moderate income requirements before foreclosure in order to prevent a failure and wants a free hand, in the event of foreclosure, to sell without those requirements. Without the bond issue and the HUD co-insurance there would probably not be a project at all providing for low and moderate income housing. Ms. Rogers said she would like something in writing and Mr. Hamilton indicated she would be provided with a copy of the minutes.

MATTERS NOT APPEARING ON AGENDA (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-86 BE ADOPTED.

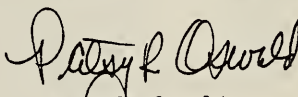
- (c) Mr. Sherman Hill protested that exclusive negotiations he had entered into for Lot 8 in Site S-4 located on Hunters Point Hill in Hunters Point had not been extended. Mr. Hamilton indicated that Mr. Hill had opted to develop his lot individually, rather than join the group of eight. Mr. Hill said he had indicated his willingness to participate. Mr. Hamilton noted that a signed participation agreement had been received from the other owners but not from Mr. Hill, however, if it was found to be appropriate then his name could be added to the group.

President King indicated that there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956. The name of the case is Mary H. Rogers, et al vs. HUD, et al.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

June 24, 1986

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#4  
4/8/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
8TH DAY OF APRIL 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of April, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Walter S. Newman, Vice President
- H. Jesse Arnelle
- Charlotte Berk
- Dorman L. Commons
- Melvin D. Lee
- Haig G. Mardikian

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Vivian Wiley, Bayview Merchants Association; Katherine Nash, Rainbow; Dexter Woods and Francisco Perea, Juneteenth; Sally Wally; Charles Wiener; Michael E. Hornstein; Robert La Rocca, La Rocca and Associates.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried that the minutes of the regular meeting of February 11, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of February 18, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 4, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) On April 9th at 3:00 p.m., Arcon, Inc. (Lyman Jee) will be holding a topping-out party of their office building at 75 Hawthorne Street in Yerba Buena Center. Available to view at this time will be samples of the window colors and other materials to be used in the building.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an LDA for Parcel 1100-D(1) in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 95-86 requests authorization to open and continue a Public Hearing, until April 22, 1986, in connection with the LDA with the Beideman Investment Group for the parcel located on the east side of Beideman between Ellis and O'Farrell Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In October 1985 exclusive negotiations were authorized for the construction of twelve condominiums. As satisfactory evidence of equity capital was not submitted, the negotiations period was extended from January 14 to April 16, 1986. Since that time the development team has been reorganized and is now comprised of two original members, Janet Roche and Daniel Solomon, with John and Richard Goldman and Sander Kasin being added. In this connection, additional time is required to finalize a partnership agreement, resulting in the proposed two week continuance of the public Hearing.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any commissioner, Item (a) would be continued for two weeks at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 96-86 requests authorization of a Permit to Enter with the Juneteenth Festival Committee for the interim use of Parcel 707-A located on the corner of Fillmore and O'Farrell Streets and Parcel 750 bounded by Turk, Fillmore and Eddy Streets, June 4 through June 17, 1986, in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Juneteenth is celebrated annually in mid-June by black Americans throughout the country in commemoration of President Lincoln's Emancipation

NEW BUSINESS (continued)

Proclamation in 1863. Last year the festival was a huge success with over 10,000 people attending the wide variety of events the festival encompasses. The Committee will provide a twenty-four hour guard service and there will be additional police patrol during the celebrations. Appropriate liability and property damage insurance and necessary permits will be obtained by the Festival Committee and Sierra Shows. Proceeds will be used for the cultural and educational needs of black youths of the Western Addition and to pay expenses incurred by the Festival Committee. In view of the Committee's non-profit status, it is suggested no rent be charged for the use of the land.

Mr. Commons inquired whether appropriate liability and property damage insurance could be obtained in view of the current state of the liability insurance market and what would happen in the event it could not. Mr. Hamilton indicated that a request would then be made to the Commission to seek relief from Agency policy which now requires the Agency to be indemnified.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-86 BE ADOPTED.

- (c) Resolution No. 97-86 requests authorization of an Amendment to the City/Agency Agreement for administration of the Fillmore Neighborhood Commercial Development Project (UDAG) in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. The Fillmore UDAG project, which the Agency has been administering since 1981, involved Federal assistance toward the development of Safeway Stores, Inc. of a major supermarket and a 60,000 square foot office building. The transaction was supported by the acquisition of the old Mayfair market site by the Agency, which transaction was completed utilizing UDAG funds. The subject agreement called for the site to be conveyed to a private developer by November 1, 1982 with the proceeds to be made available to the North of Market UDAG. These funds of approximately \$1.3 million were to be made available to the North of Market UDAG at no interest and repaid to the Rincon Point-South Beach project upon the sale of the Mayfair market site. This agreement required that the entire transaction be completed by May 1, 1984. Conveyance of the site to Western Commercial Partnership I did not proceed as rapidly as anticipated and an amendment was authorized in November 1985 extending the date for repayment of the \$1.3 million to the City until July 1, 1986. That amendment was never executed and the Department of Housing and Urban Development's Regional Office now proposes the language be changed extending the conveyance date to October 1, 1986, and to make the repayment obligation absolute instead of conditional. However, the amendment states that if the Agency does not sell the property by October 1, 1986 then the Agency will have the right to request an extension of time for

NEW BUSINESS (continued)

making the reimbursement, and the City will not deny a reasonable extension. Staff considers that this land conveyance should be completed by October 1, 1986.

Mr. Newman inquired as to the reason for the delay in taking down the land and Mr. Hamilton indicated that this was due to the developer and contractor not agreeing on the project costs and the developer does not wish to proceed until this has been resolved.

The Commissioners expressed concern as to whether the Agency would be able to meet the October 1, 1986 date, especially if it was not certain that the developer would perform by then. Mr. Hamilton indicated that under the circumstances, the City would not expect the Agency to pay funds it does not have nor would they deny the Agency a reasonable extension.

Mr. Commons requested assurance from Agency General Counsel that they would not be held personally responsible and Leo Borregard, Agency General Counsel, indicated that acting on advice of counsel and representations made to the Commissioners by the Executive Director, he did not believe that in exercising their judgement today they would be exposing themselves to personal liability.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-86 BE ADOPTED.

- (d) Resolution No. 98-86 requests authorization of a Second Amendatory Agreement to the LDA with Michael and Ellen Hornstein for Parcel C-1(b) located on the northeasterly corner of Evans Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (d) as follows. In January 1985 an LDA was authorized for the construction of an industrial building of approximately 40,000 square feet for the exclusive use of Snyder-Newell Company, a direct mail firm which employs approximately 120 persons. Total development cost is estimated at \$1.9 million. A First Amendatory Agreement, approved in January 1986, extended the performance schedule due to a delay in issuance of a building permit which, in turn, delayed finalization of financing. Plans submitted to the Building Department in September 1985 have cleared all the required Departments with the exception of the Bureau of Fire Inspection and, therefore, permit issuance appears to be imminent. The Developer has a tentative arrangement for construction and permanent financing with the Bank of America, which neither party desires to finalize until after the building permit has been issued. The proposed revised performance schedule extends the date for submission of evidence of financing from March 12 to June 18, 1986 and conveyance of the site from April 16 to July 15,

NEW BUSINESS (continued)

1986. If conveyance does not occur by July 15, 1986, which is also the land price expiration date, the land will be reappraised. The Developer has been so advised and language to this effect is included in the Second Amendatory Agreement.

Mr. Lee inquired about the delay in issuing the permit. Mr. Michael Hornstein, Developer, indicated that an Inspector at the Fire Department had recently made a request for complete sprinkler drawings, which had been prepared and would be submitted on April 9, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-86 BE ADOPTED.

- (e) Resolution No. 99-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, and James Wilson, Project Director, Hunters Point, to attend the Annual Conference of the NAHRO Pacific Southwest Regional Council, May 17-20, 1986, in Tucson, Arizona, at a cost not to exceed \$1,200.

Mr. Hamilton reported on item (e) as follows. Ms. Sause will attend in her capacity as the NAHRO National Senior Vice President and Mr. Wilson will be inducted as a member of the Pacific Southwest Regional Council Executive Board. It is considered that professional benefit will be derived by attendance at the Conference sessions. Cost of registration, transportation, meals and lodging will not exceed \$1,200.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Vivian Wiley, Bayview Merchants Association, requested that consideration be given to the construction of a road for improved access to town houses being built in Hunters Point.

Mr. James Wilson, Project Director, Hunters Point, indicated that Ms. Wiley was referring to Solomon Village, adjacent to Mariners Village, which is presently under an LDA with BRIDGE. She had contacted him and asked specifically about the possibility of entry into this development via Donahue, which belongs to the Navy and has not, as yet, been acquired as part of the Solomon or Mariners Village developments. Ms. Wiley had also inquired about the re-opening of Earl Street which is at the western boundary of the site. The slope is extremely steep and it was pointed out that the cost of \$200,000/\$300,000 to develop a new road would be added to the cost of the seventy-five homes, thus defeating efforts to provide affordable housing. Contrary to Ms. Wiley's assertion, Mr. Wilson clarified that the site is not being developed with only one-way in, as there are two major streets, Jerrold & Kirkwood, that go into the project area, both of which are currently servicing Mariners Village.

NEW BUSINESS (continued)

Mr. Newman inquired if the Agency was on record with the Navy indicating an interest in developing Donahue Street, and Mr. Wilson indicated that it was considered premature at this time, but the developer intends to, as soon as he progresses and as soon as what the Navy proposes to do is known.

President King suggested that Ms. Wiley discuss the matter further with staff who would make a recommendation to the Commission.

- (f) Mr. Hamilton reported that this Workshop is being held to provide information on the status of the design and construction activities in the South Beach Harbor in Rincon Point-South Beach. Construction of the breakwater and berth system, which commenced in December 1984, is expected to be completed ahead of schedule in September 1986. An off-shore improvement contract is in the process of being prepared and will be completed in time for the harbor opening. In addition, design of Pier 40 improvements has commenced and the first contract for repair of its substructure will be effected later this summer. There are certain change orders staff desires to implement in connection with the existing breakwater/berthing contract which will require commission approval. One such change order will be the subject of an agenda item, following this Workshop.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, gave the status of the design and construction activities in the South Beach Harbor.

Mr. Robert La Roca, architect, described the architectural landscape concept for the harbor.

- (g) Resolution No. 100-86 requests authorization of Change Order No. 11 to Contract I - HARBOR in Rincon Point-South Beach.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, reported on item (g) as follows. This contract with Riedel International, Inc., in the base amount of \$10,990,000, provides for the construction of the South Beach small boat harbor. The proposed Change Order calls for the installation of 14-inch pre-cast concrete mooring at Dock "B", estimated to require 3,440 lineal feet of piling. Although mooring piles are provided at the docks for 50 and 46 foot boats, during the design of the contract, staff was of the opinion there was no need for mooring piles for the 42 foot boats at Dock "B" and small boats. However, at the "Berth Day" held in September 1985, the boaters expressed a desire for mooring piles and, following evaluation, staff has concluded that the provision of mooring piles is important to the successful marketing of the Dock "B" berths. The contractor proposes to furnish the piles for a total price of \$67,080 and will install them at the bid price of \$1,000 each for a total of \$50,000, which will increase the authorized contract amount by \$117,080.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS,  
AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-86 BE ADOPTED.

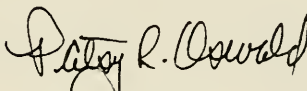
MATTERS NOT APPEARING ON AGENDA

- (b) At this time, a video film entitled "Redevelopment and the Tax Reform Act" was shown to the Commissioners and those interested.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnette, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald  
Agency Secretary

APPROVED

June 24, 1986



SF  
R35  
#4  
4/15/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
15TH DAY OF APRIL 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of April, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle (arrived 4:15 p.m.)  
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Dr. Hannibal A. Williams, I.M.A.; Jay Kilbourn, Director, and Charles Prince, San Francisco League of Urban Gardeners; Linda Blagburn; Jean Driscoll, Trust for Public Land; Helen Frank; Mary Rogers and Arnold Townsend, interested citizens.

Representing the press was: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of March 11, 1986, as distributed by mail to the Commissioners be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) On April 14th the first meeting of the YBG Board of Director's for the Cultural Facilities in YBC convened with 18 of the 22 members present. It was a good meeting with the main focus on the background and history of the formulation of this group. The developer made a presentation and a Committee was established who will set up the By-laws. Ms. Berk expressed the hope that the enthusiasm generated at that meeting would continue. Mr. Newman

REPORT OF THE EXECUTIVE DIRECTOR (continued)

indicated that the group was too advanced in their thinking in view of the present uncertainty created with respect to Central Block 2. Mr. Hamilton indicated that the group had been informed of the current discussions in that regard that may result in changes to the program.

SPECIAL APPEARANCES

Mr. Jay Kilbourne, representing the San Francisco League of Urban Gardeners (SLUG) requested the Agency offer an option to purchase all or a portion of Parcel 779 in the Western Addition as an alternative location for the Frederick Douglass Gardens.

Mr. Arnelle arrived at this time, 4:15 p.m.

The following persons spoke in support of the proposal: Helen Frank, Charles Prince (SLUG), and Jean Driscoll, Trust for Public Lands. The following persons spoke in support of housing being developed on Parcel 779: Linda Blagburn, Dr. Hannibal Williams, Mary Rogers and Arnold Townsend.

Mr. Hamilton indicated that it was staff's recommendation that the subject parcel be retained solely for housing, however, every effort would be made to assist in finding another suitable location for a community garden.

Mr. Mardikian left at this time, 4:50 p.m.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Third Amendatory Agreement which revises the Purchase Price and the Performance Schedule for Parcel 688-C(1); Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 101-86 requests authorization of a Third Amendatory Agreement to the LDA with Herman and Irene Yarbrough and Lillie Collins for 1401-1405 Gough Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In July 1984 an LDA was authorized for the rehabilitation of this three-story Victorian as five condominiums. Subsequent extensions to the conveyance date were authorized in April and July 1985, followed by approval of First and Second Amendatory Agreements in September and December 1985. The absolute conveyance date of January 10, 1986 was not met. On February 11, the date for accepting or rejecting the modified site price, an extension was granted to April 12, 1986. By letter of March 24, 1986, this price was formally accepted and the security deposit has been increased as required. The proposed Third Amendatory Agreement provides for the increased purchase price; a change in the permitted use allowing the developer an option to rent the units if the condominium sales market remains "soft" upon

NEW BUSINESS (continued)

completion of the project; and a revised performance schedule calling for re-submission of evidence of financing by June 18 and conveyance of the site by September 15, 1986. Should the number of residential units be increased to more than the five units approved, the Third Amendatory Agreement extends the performance schedule for re-submission of evidence of financing to October 1 and conveyance of the site to November 15, 1986.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-86 BE ADOPTED.

- (b) Resolution No. 102-86 requests authorization of an Amendment to the Commercial Rental Agreement with U.C. Construction Company for the temporary use for storage of building equipment and materials on a portion of Parcel 683-D(1) in the area fronting on Steiner and Sutter Streets in the block bounded by Fillmore, Steiner, Sutter and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. A Rental Agreement was authorized in November 1985 for the use of approximately 5,000 square feet to provide off-street parking for personnel while construction of the adjacent Winterland Apartments is underway. The proposed amendment would permit U.C. Construction to utilize the parcel's remaining 14,498 square feet for storage of construction materials. Although U.C. Construction would be granted a permit by the City to utilize as many on-street parking spaces as would be required, it has been past practice to allow contractors in this vicinity to rent Agency cleared land to avoid exacerbating the neighborhood parking problems. The monthly rental of \$1,170 is comparable to the rates that are currently being charged for the use of this parcel and U.C. Construction is committed to maintaining the lot free of debris and provide dust control.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-86 BE ADOPTED.

- (c) Resolution No. 103-86 requests authorization of a First Amendment to the Owner Participation Agreement (OPA) with Rincon Center Associates for the development on Block 3716, Lot 1, located in the block bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.
- (d) Resolution No. 104-86 requests Conditional Approval of the Preliminary Construction Documents for the Rincon Center Associates' development, on Block 3716, Lot 1, located in the block bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.

Mr. Hamilton indicated that the developer had requested items (c) and (d) be held until April 29, 1986.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, items (c) and (d) would be held over until April 29, 1986, at the Developer's request. There being no objection, it was so ordered.

- (e) Resolution No. 105-86 requests authorization of Certain Actions regarding the Agency's General Liability and Automobile Liability Insurance.

Mr. Hamilton reported on item (e) as follows. The Commission was recently advised of the difficulty that has been experienced in placing this insurance when Levinson Bros., the Agency's broker, was unable to find replacement coverage following the current carrier's notice of cancellation. To date, staff's endeavors to obtain the insurance through other brokers have been unsuccessful, however, two brokerage firms are hopeful of securing coverage prior to the April 20, 1986, termination date. Although the premium levels are not known, a cost of \$100,000 to \$150,000 is anticipated for \$1 million of coverage. A total of approximately \$230,000 has been paid in premiums over the past four years and during that period total claims and expenses paid totalled only \$30,000, with reserves set aside for this purpose totalling another \$32,000. Options available at this time are: authorizing the Executive Director to purchase traditional insurance if it can be obtained and the price is acceptable, failing which the Agency would have to self insure for all risks in excess of the automobile liability insurance required by law. This basic auto liability insurance can be purchased on an assigned risk basis and can be obtained as late as April 21, 1986, however, authorization must be granted to make the payment of \$9,000 to the California Automobile Insurance Plan by that date. It is expected that the self insurance option would require funds to be set aside for claims and expenses and reserves built against the risk of future losses. The Agency budgeted approximately \$180,000 for 1986 insurance premiums and it is anticipated total costs for other premiums will not exceed \$35,000, leaving approximately \$145,000 as a potential reserve.

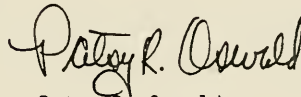
The Commissioners expressed their concern regarding the Agency's ability to acquire adequate insurance coverage. Mr. James Nybakken, Administrative Services Officer, gave a status report on where the Agency stands at this time and indicated that staff is still working to obtain coverage.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO PLACE TRADITIONAL INSURANCE COVERAGE IF IT COULD BE OBTAINED AT AN ACCEPTABLE PRICE AND BE AUTHORIZED TO MAKE A PAYMENT OF \$9,000 TO THE CALIFORNIA AUTOMOBILE INSURANCE PLAN BY APRIL 21, 1986, FOR BASIC AUTOMOBILE LIABILITY.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald  
Agency Secretary

APPROVED

July 1, 1986



SF  
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#4  
122/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
22ND DAY OF APRIL 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of April, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Haig G. Mardikian

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and the following were absent:

Dorman L. Commons  
Melvin D. Lee (Arrived at 4:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Rhody A. McCoy, Future Perfect, Inc.; M. J. Staymates, NANA; Noni Richen, B.A.N.G.; Tom Dross, WANA; Charles M. Collins, Western Development Group, Inc.; Doris Kahn, YBC Board; Ocie Rogers; John Pollak, Tele Diagnostics; M. L. Ou; Dr. Harley E. Schear; Robert Herman; Margaret Webb, CAO's office; Patrick MacLeamy, Hellmuth, Obata, and Kassabaum (HOK); Roger Boas, Chief Administrative Officer, City and County of San Francisco.

Representing the press were: Dan Borsuk, S.F. Progress; Alan Temko and Reggie Smith, S.F. Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of March 18, 1986, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in an LDA for Parcel 1100-D(1) in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 95-86 requests authorization of an LDA with Beideman Investment Group for the parcel located on the east side of Beideman between Ellis and O'Farrell Streets in the Western Addition A-2. Mr. Hamilton reported that this matter was continued from the April 8, 1986 meeting to provide additional time to finalize a partnership agreement, which has now been accomplished. Initially, it was proposed to construct twelve condominiums, however, the development has been redesigned reducing the number of units to eleven and converting them from flats to townhouses. The LDA performance schedule calls for evidence of financing by March 4, 1987 and conveyance of the site by April 1, 1987.

Ms. Noni Richen indicated that she supported the project, but noted concern that there were only garages facing on Beideman Street and requested that the architect look at ways to have the entrances on Beidman to make the street more attractive.

There being no further persons wishing to appear in connection with the matter, President King declared the Public Hearing closed.

Mr. Hamilton indicated that he would request the architect give consideration to the matter raised by Ms. Richen.

President King noted that, although he had no monetary interest and would not gain anything from the development, he would abstain from voting on this item, because one of the developers is a relative.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-86 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Variance for Parcels 683-D(1) and D(2) in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 106-86 requests authorization of a Variance from the Density Requirements of the A-2 Redevelopment Plan for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Steiner and Sutter Streets in the Western Addition A-2.

NEW BUSINESS (continued)

- (b) Resolution No. 107-86 requests authorization of Exclusive Negotiations, until July 23, 1986, with Roosevelt and Altheda Carrie and Western Development Group for Parcel 683-D(1) located adjacent to the southeast corner of Steiner and Sutter Streets in the Western Addition A-2.

Mr. Lee arrived at this time, 4:10 p.m.

Mr. Hamilton reported on items (a) and (b) as follows. In April 1983 the Agency conveyed the parcel located at the southeast corner of Steiner and Sutter Streets to the Carries who planned to rehabilitate a three-story structure providing retail commercial space on the first floor, and office space on the two remaining floors. The rehabilitation work was delayed because of unexpected problems with the building structure which required a new building permit, tearing out improvements the contractor had already installed, and additional construction money. After protracted negotiations and appeals to the Permit Appeals Board, incurring unanticipated costs, the developers were forced to file bankruptcy on October 25, 1985. In an attempt to strengthen the economics of the development, exclusive negotiations were authorized in 1984 with the Carries for the construction of market rate condominiums on the vacant parcel that borders the Carries' building. Since they were unable to find a joint venture partner, and did not have the financial capacity to develop the site alone, the exclusive negotiations expired in the Spring of 1985. They now propose a joint venture with Western Development Group (WDG), a minority-owned corporation. The principals are Charles and Paula Collins, who have the experience and financial strength to develop both parcels. The joint venture proposes to demolish the existing building, combine the vacant site with the adjacent parcel and construct thirty-eight market rate residential condominiums. United Bank has indicated it will support this proposed development which will provide an attractive addition of housing to the community. This site is zoned Residential-Median density (RM) under the A-2 Redevelopment Plan which permits 113 Agency Rooms, but the proposed development requires 148 Agency Rooms resulting in the requested density variance. This RM requirement was originally embodied in the Plan to preserve structures then on the site and designated for retention. Since the proposed project, at a density of 73 units on the acre, is within the range of densities of the immediately-adjacent, newly-constructed developments, staff concurs with the developer's request which would change the density requirement for both parcels from not less than 200 square feet of lot area for each Agency room to not less than 153.2 square feet of lot area.

Ms. Mayling Ou, Mr. John Pollack and Mr. John Wilton, residents of 2053 Sutter Street, protested the variance, as they were concerned about the parking problems that would be caused by this new building.

NEW BUSINESS (continued)

Ms. Mary Jane Staymates, WANA, requested a thirty day postponement as this was the first time she had heard of the demolition of the building and she was concerned about the plans and density of the development.

There being no further persons wishing to appear in connection with the matter, the President declared the Public Hearing closed.

Mr. Hamilton indicated there were no real plans at this time and, until exclusive negotiations were authorized, the developer would not have prepared drawings. However, staff would be pleased to review them with interested community organizations when they are available. With regard to the parking, this development satisfies the A-2 Redevelopment Plan, which requires one-to-one parking.

Mr. Newman inquired if the proposed development had the same parking density as the other developments in the area and Mr. Hamilton replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-86 BE ADOPTED.

- (c) Resolution No. 108-86 requests authorization of a Sixth Amendatory Agreement to the LDA with Future Perfect, Inc. for Parcel D, located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.

Mr. Hamilton reported on item (c) as follows. In June 1984 an LDA was authorized for the construction of an approximately 89,000 square foot shopping complex known as Bayview Square Commercial Center at an estimated cost of \$10,840,000. A UDAG of \$542,000 is in place and the Agency has agreed to provide a land loan in an amount of \$840,000, the land proceeds of which are to be deferred over a five-year period as a further loan to the project, as required by HUD. In September 1985 the Mayor's Office of Housing and Economic Development proposed to issue \$9.5 million in private activity Industrial Revenue Bonds (IDBs). However, because of the uncertainty created by pending tax reform measures which affect the IDB allocation, provision of evidence of financing cannot be predicated upon the expectation that such financing will be available for the project. The proposed revised performance schedule will allow sufficient time for the developer to demonstrate the ability to secure financing from other sources and commence construction by the dates specified. The revised performance schedule would extend the date for submission of evidence of financing from March 26 to October 1,

NEW BUSINESS (continued)

1986 and conveyance of the site from April 24 to November 5, 1986. It is believed that the Agency should continue to support this pioneering effort to develop a new commercial center in the Third Street corridor.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-86 BE ADOPTED.

- (d) Resolution No. 109-86 requests authorization to extend the Termination Date, until July 2, 1986, and Conditionally Determine not to Terminate the LDA with Young Hi Moon and Paul Park for 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In June 1985 an LDA was authorized for the rehabilitation of this two-story Victorian building. Although all other LDA pre-conveyance requirements were met in a timely manner, the developers failed to deposit the purchase price of the site into escrow, resulting in written notice being served on April 7, 1986 that the Agency would exercise its option to terminate the LDA. Unless the Commission, at a public meeting held within twenty-one days from the date of the notice, determines to extend the termination date, the LDA will expire on its own terms. The LDA provides that the Commission shall have no obligation to act at all under circumstances of this nature, but has the option to extend such termination date upon whatever terms and conditions it may select. The status of the project has been discussed with Mr. Park and he indicated that he has been able to obtain only a construction loan from V S Mortgage Company and is presently endeavoring to secure a permanent loan from Sumitomo Bank. His difficulties have been compounded by Mrs. Park's departure for Korea for medical treatment. He is planning to join her shortly, but will return in two weeks to conclude the financing arrangements. It is therefore proposed to extend the LDA termination date to July 2, 1986, subject to evidence of equity capital and construction financing being re-submitted by June 25, 1986. If this condition is not met then the LDA will automatically terminate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-86 BE ADOPTED.

- (e) Resolution No. 110-86 requests authorization of a First Amendatory Agreement to the LDA with Sunwrights Multinational, Inc. for 1622 Laguna Street in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. In July 1985 exclusive negotiations were authorized for the rehabilitation of this two-story Victorian, constructed in 1875, as a single-family dwelling. All requirements of the LDA performance schedule have been met to date with the exception of the required evidence of financing, which is presently scheduled for April 23, 1986.

NEW BUSINESS (continued)

Although the developer presently has a guaranteed take-out commitment with First American Mortgage Services of San Jose, difficulties have been encountered in securing construction financing, resulting in the requested ninety-day extension. The proposed performance schedule calls for evidence of financing by July 23 and conveyance of the site by October 2, 1986.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-86 BE ADOPTED.

- (f) Resolution No. 111-86 requests authorization to extend the Schedule of Performance by thirty days for Yerba Buena Gardens, Phase 2, in Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. Two previous thirty-day extensions were approved pending finalization of a report by a Task Force, appointed by the Mayor, to analyze the effect of a request for additional exhibit space for the Moscone Convention Center. Because of the uncertainty created, it is considered appropriate to grant the requested extension.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-86 BE ADOPTED.

- (g) Resolution No. 112-86 requests authorization of a Permit to Enter with YBG Associates for use of Agency-owned land and execution of the necessary documents to provide alternative access during construction of the Marriott Hotel in Yerba Buena Center.

Mr. Hamilton reported on item (g) as follows. This permit provides for the same pre-development activities as the permit approved on February 18, 1986, which expired since it was not executed by YBG Associates. They have now executed the permit and wish to reinstate it to accommodate the various construction-related activities for the 1500-room hotel on Central Block 1. A previous Permit to Enter with YBG Associates, entered into in 1983, allowed for the demolition of the General Services Administration property on the hotel site and provided payment to the Agency of \$10,000 per month for the loss of parking revenues from that building. Although that permit expired on February 28, 1986, YBG Associates has agreed to reimburse the Agency that rental amount from March 1, 1986 to date of approval of the proposed permit. They will continue to pay for the parking losses and the additional area to be used for a total monthly amount of \$28,900. Appropriate insurance will be provided in accordance with the Hotel lease and a 100% bond for certain work will also ensure that the site will be restored to the Agency's requirements should the developer be unable to proceed for any reason.

NEW BUSINESS (continued)

Mr. Newman inquired when the groundbreaking would take place for the hotel. Mr. Joseph Madonna, Olympia & York, indicated that this would be forty to forty-five days after conveyance of the site, which is estimated to be late May/early June 1986. Leo Borregard, Agency General Counsel, affirmed Mr. Madonna's estimate, depending on completion of review of the documents.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-86 BE ADOPTED.

- (h) Resolution No. 113-86 requests authorization of a Consultant Contract, in an amount not to exceed \$20,000, with Mitchell/Giurgola in connection with Yerba Buena Center;
- (i) Resolution No. 114-86 requests authorization of a Consultant Contract, in an amount not to exceed \$15,000, with Maki & Associates in connection with Yerba Buena Center;
- (j) Resolution No. 115-86 requests authorization of a Consultant Contract, in an amount not to exceed \$15,000, with James Stewart Polshek in connection with Yerba Buena Center.

Mr. Hamilton reported on items (h), (i) and (j) as follows. Although staff and Agency consultant Rai Okamoto has been involved in identifying potential effects on the Agency's Central Block 2 program as a result of the possible future expansion of the Moscone Convention Center, an opportunity to evaluate and comment on their buildings by the selected architectural firms for the Esplanade, fountain and the cultural facilities is now critical. In order to reach an evaluation to provide information to the Commission and the Mayor prior to reaching a decision on the proposed expansion, costs and operational effects need to be understood and determined. Payment would be at the specified hourly contract rate, based upon the number of hours worked and would include payment of certain expenses to be reimbursed at actual cost as well as subsistence expenses while in San Francisco.

Mr. Arnelle requested a brief statement on each architect and a definition of their responsibilities. Ms. Helen Sause, Project Director, Yerba Buena Center, reported that Maki & Associates from Tokyo, Japan, have responsibility for the north cultural building; Mr. James Stewart Polshek, New York, has responsibility for the south building and the theater; and Mitchell/Giurgola of Pennsylvania and New York has responsibility for the Esplanade.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-86 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-86 BE ADOPTED.

SPECIAL APPEARANCES

Mr. Roger Boas, Chief Administrative Officer, City and County of San Francisco, reported to the Commission on the proposed expansion of the Moscone Convention Center. A tape recording of the discussion between Mr. Boas, Mr. Pat MacLeamy (HOK), the Commissioners and Mr. Hamilton is on file with the Agency Secretary.

President King announced that there would be a brief recess.

Mr. Newman left the meeting at this time, 6:00 p.m.

The meeting recessed at 6:00 p.m. and reconvened at 6:05 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 116-86 requests Ratification of actions of the Executive Director in Amending the Agreement for Community Development Program Services and Making a Premium Payment for Automobile Liability Insurance.
- (b) Resolution No. 117-86 requests authorization of Payment of Premium in an amount of \$227,470 for General Liability Insurance.

Mr. Hamilton reported on items (a) and (b) as follows. Since the April 15, 1986 meeting, automobile liability coverage has been obtained. The annual premium is \$46,516 and a deposit of \$13,955 has been made to the broker to bind the coverage. Approval has been obtained from the City to amend the City/Agency Agreement for Community Development Services which required \$1 million of general and automobile liability coverage. Although the Amendment requires that the Agency use its best efforts to obtain the required insurance, it provides that the obligation to obtain insurance in the required or lesser limits is subject to its availability on the open market from reputable insurance companies at reasonable cost. This satisfies the Agency's contractual requirement with the City.

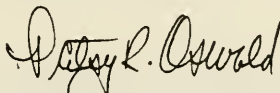
ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 116-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-86 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald  
Secretary

APPROVED

June 24, 1986



SF  
R35  
#4  
4/29/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
29TH DAY OF APRIL 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of April, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

DOCUMENTS DEPT.

NOV 3 1986

and the following was absent:

SAN FRANCISCO  
PUBLIC LIBRARY

None

The President declared a quorum present.

Wilbur H. Hamilton, Executive Director, and staff members were also present.

Also present were: James SanJule, Fillmore Associates; Ocie Rogers; John Spurgeon and Ernest Seaman, Perini Construction; Clifton Jeffers, Housing Associates; John H. Yerman, Perssler's; R. Primus; Peg Divine and Al Ely, Moffatt & Nichol; Donald Tishman, Fillmore Center Developers; Tony Lumsden, DMJM.

Representing the press was: Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried, that the minutes of the Regular Meeting of March 25, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On April 28th the Board of Supervisors appropriated \$2.8 million to purchase 1125 Fillmore Street, the old Safeway building in the Western Addition at Turk and Fillmore, for the new Northern Police Station that is now located on Ellis Street. Since this building is in a Redevelopment Area, the Agency's architectural staff will be carefully following the design review for this development.
- (b) Also, the Board voted 7 to 1 to form a new task force to study building a downtown baseball stadium. The Executive Director was in attendance at this meeting and was able to have the Supervisors amend the proposed resolution deleting the mention of Third and Mission Streets as a possible site. Regarding this site, Supervisor Molinari has called for public hearings to place the proposed expansion of Moscone Center on the November ballot. These hearings will begin in May before the Rules and Legislation Committee.

#### UNFINISHED BUSINESS

- (a) Resolution No. 103-86 requests authorization of a First Amendment to the Owner Participation Agreement (OPA) with Rincon Center Associates for the development on Block 3716, Lot 1, bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.
- (b) Resolution No. 104-86 requests granting Conditional Approval of the Preliminary Construction Documents for Rincon Center Associates' development on Block 3716, Lot 1, bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.

Mr. Hamilton reported that the developer has requested a delay until May 20 to approve or disapprove the Preliminary Construction Documents and has waived that portion of the OPA which would otherwise require Agency action on the preliminary construction Documents by May 2, 1986. It is therefore requested that both items (a) and (b) be continued to the meeting of May 20, 1986.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that items (a) and (b) would be continued until May 20, 1986 at the Developer's request. There being no objection, it was so ordered.

#### NEW BUSINESS

- (a) Public Hearing to hear all persons in a Fourth Amendatory Agreement which revises the Disposition Price and the Performance Schedule for Parcel K-5; India Basin Industrial Park.

President King opened the Public Hearing to hear persons interested in this matter.

NEW BUSINESS (continued)

Resolution No. 118-86 requested authorization of a Fourth Amendatory Agreement to the LDA with Rose Mary Rodriguez Najar for the Parcel K-5 located on the southeast corner of Galvez Avenue and Newhall Street in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. In August 1984, an LDA was authorized for the construction of a 14,000 square foot building with 24 parking spaces, loading and landscaped areas. Three amendatory agreements were subsequently approved, extending the performance schedule because of the necessity to redesign the building to accommodate machinery the company had ordered. Since approval of the Third Amendatory Agreement, which extended the conveyance date to May 14, 1986, tentative financing has been arranged and plans submitted for a building permit. However, the lender does not wish to finalize the financing until after issuance of the building permit. It is therefore proposed to extend the submission date for evidence of financing from April 16 to July 16, 1986 and conveyance of the site from May 14 to August 20, 1986. In accordance with the terms of the LDA, the land has been reappraised resulting in a new disposition price of \$146,500. The developer has accepted this new price which is reflected in the Fourth Amendatory Agreement.

There being no persons wishing to appear in connection with the matter, the President declared the Public Hearing closed.

Mr. Lee inquired if there are architectural concerns with the development and Mr. Edmund Ong, Chief of Architecture, indicated that there are none. Mr. Lee further inquired when the plans had been submitted to the Building Department, and Mr. Ong indicated that he did not have the specific date but it had been several months ago. Mr. Lee indicated that, since financing would not be secured until the building permit was issued then staff should investigate to see how long it will take. Mr. Hamilton indicated that there is every reason to believe the permit will be issued within this two month extension.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-86 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in a Parking Variance at 939 Ellis Street; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 119-86 requests the Agency grant a variance of 26 parking spaces from the parking requirements of the current A-2 Redevelopment Plan (the "Plan") for the Bay Area Air Quality Management District's (the "District") proposed four-story addition to its building located at 939 Ellis Street in the Western Addition A-2 Project Area.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (b) as follows. In 1967, the District developed six stories of offices and a two-level garage under an Owner Participation Agreement with the Agency. At that time, a program for future expansion on an adjacent strip of land -- six stories with two levels of parking connected to the first phase -- was contemplated and shown on the architectural drawings approved by the Agency for the first phase. In 1967, when the Agency approved the program and the architectural plans, the Redevelopment Plan had a requirement of one parking space for each 1,000 square feet of net rentable area. The entire development, including its contemplated six-story addition with two levels of parking, was in compliance with the Plan then in effect. In 1970, the Plan was amended to require one parking space for each 500 square feet of occupied floor area. In 1971, the Agency sold the adjacent strip of land to the District pursuant to a Land Disposition Agreement. In 1976, two floors of offices totaling 9,000 square feet of occupied floor area and a two-level garage accommodating 28 parking spaces, were constructed pursuant to amplified and Agency approved construction plans. The limited size of the adjacent strip conveyed in 1971 and the building's configuration made it impossible to provide more than the 28 additional parking spaces constructed. The District now proposes to complete its 1967 master development program by constructing the remaining four-story office addition totaling 18,000 square feet of occupied floor area. It is physically impossible for the District to construct any additional parking spaces. The District has advised the Agency that the four-story addition is needed -- principally to house existing staff to alleviate overcrowding and it has no plans to increase its vehicle fleet that would necessitate on-site parking. It fact, the District advises that they are studying vehicle needs, which most likely will result in a decrease in the present number of District vehicles. Furthermore, the District advises that not only is it its policy to encourage the use of public transportation, ride sharing and car pooling, but that it subsidized employees for using public transportation and feels that additional parking would undermine that policy. It is staff's opinion, concurred in by Agency General counsel: FIRST, that because the entire development approved in 1967 was in compliance with the Redevelopment Plan then in effect, a parking variance is not required -- the Commission is requested to make that finding and determination, as part of their action today; SECOND, based on the record, and assuming that the current Redevelopment Plan is applied to the development, thus requiring 26 additional parking spaces, the Commission may find and determine that fewer parking spaces than those established by the Plan -- namely the existing parking spaces, will adequately serve the needs of the users of the four-story addition, and approve the existing parking spaces as such fewer spaces. This is provided for in Section 7 of the Plan; THIRD, to avoid any question were it to be determined, for any reason that the existing Plan applied and approval under Section 7 not sufficient, the Commission may grant a variance eliminating any requirement for 26 or any additional parking spaces. The Resolution No. 119-86 before the Commission, contains the foregoing matters and the findings and determinations, approvals and

NEW BUSINESS (continued)

variance grant that have just been discussed, and includes a brief addition to the form of resolution previously sent the Commission; namely an addition to Section 2 on page 4 as follows: "..., and the Agency hereby approves provision for fewer parking spaces, being that number of parking spaces presently existing." With that addition, it is recommended that Resolution No. 119-86 be adopted.

Mr. Terence Hallinan, attorney and property owner on Eddy Street, protested granting the variance, because of parking problems in the neighborhood.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MR. ARNELLE DISSENTING, THAT RESOLUTION NO. 119-86 BE ADOPTED.

- (c) Resolution No. 120-86 requests authorization of a Fourth Amendment to the Agreement for Legal Services with Taylor R. Culver, which increases the contract amount by \$75,000, in connection with all Redevelopment Project Areas.

Mr. Hamilton reported on item (c) as follows. This firm has been providing excellent legal services since May 1983 and is currently handling two active litigation matters. In both cases, activity is now accelerating. Funds are almost expended and the proposed amendment will result in a maximum contract amount of \$250,000 which is necessary to enable Mr. Culver to continue representing the Agency in these ongoing legal matters.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-86 BE ADOPTED.

- (d) Resolution No. 121-86 through and including Resolution No. 128-86 requests authorization to extend Exclusive Negotiations, until July 8, 1986, with eight prospective developers of various lots in Site S-4, located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.
- (e) Resolution No. 129-86 requests authorization to Re-enter into Exclusive Negotiations, until July 8, 1986, with Robert J. Primus for Lot 3 in Site S-4, located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Resolution No. 138-86 requests authorization to Re-Enter into Exclusive Negotiations, until July 8, 1986, with Sherman Hill for Lot 8 in Site S-4, located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on items (d) and (e) as follows. Exclusive Negotiations with eleven developers, authorized in August 1985, were subsequently extended to December 31, 1985 and then to April 2, 1986. On April 1, 1986 exclusive negotiations with eight developers, who opted to develop their homes as a group, were extended until May 6, 1986. Under this proposed program, the builder will have to become

NEW BUSINESS (continued)

the single designated Master Developer to facilitate obtaining construction financing and the developers will become purchasers from the Master Developer. To protect the interest of the present developers, a Purchase Agreement between each such purchaser and the Master Developer is required and will be inserted as an attachment to the LDA with Master Developer. The preparation of a satisfactory Purchase Agreement has taken longer than anticipated, however, it is expected this can be accomplished within the requested sixty day extension period. Mr. Primus, who is one of the three developers who opted to develop their homes individually, has now requested re-entry into exclusive negotiations. He encountered difficulties when the lending institution in which he had his equity went bankrupt and he has only recently recovered a portion of his funds. Since evidence of financing has been provided and he has applied for a renewal of the building permit which had expired, the requested re-entry into exclusive negotiations for an additional sixty days is considered to be appropriate. It is proposed to permit Mr. Sherman Hill, who also opted to develop his home individually, to re-enter into exclusive negotiations for an additional sixty days, during which period he will continue his endeavors to obtain a financing commitment and building permit.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTIONS 121-86 THROUGH AND INCLUDING RESOLUTION NO 129-86 AND RESOLUTION NO 138-86 BE ADOPTED.

- (f) Resolution No. 130-86 requests authorization of a Fifth Amendment, which increases the contract amount by \$20,000, to the Personal Services Contract with Thomas Aidala in connection with the Central Blocks in Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. As a member of the Design Review Panel since 1981, Mr. Aidala has participated in discussions, studies and deliberations necessary to the Agency's review of the Developer's proposals for the YBC Central Blocks. There is a continuing need for Mr. Aidala's expertise to assist in developing the design for the cultural facilities and gardens and to coordinate design activities with the facilities' architects. The proposed amendment, which will result in a maximum contract amount of \$54,500, will make his services available during this period of design development and evaluation for the Central Blocks.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-86 BE ADOPTED.

- (g) Resolution No. 131-86 requests authorization of a Second Amendatory Agreement to the LDA with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. In July 1985, an LDA was authorized for the rehabilitation of this two-story Victorian constructed in 1876. Satisfactory final rehabilitation drawings were

NEW BUSINESS (continued)

submitted in a timely manner. However, the developers were placed in default on March 17 and March 27, 1986 for failure to submit condominium subdivision documents and rehabilitation construction costs. By letter dated April 11, 1986, and pursuant to discussions with staff, the developers indicated that this default was due to their recent temporary relocation to Portland, Oregon, because of Mr. Turner's new job assignment. Although the Turners will be in Portland for three years, they wish to continue with the project and are confident of meeting the proposed revised performance dates which call for submission of evidence of financing by August 23 and conveyance of the site by September 30, 1986.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-86 BE ADOPTED.

- (h) Resolution No. 132-86 requests authorization of Exclusive Negotiations, until July 2, 1986, with Louis Edwards and Joseph and Dennis Rigg for 1917 Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (h) as follows. The developers propose to form Von Otter Development, a General Partnership, to be comprised of Louis Edwards, an A-2 Certificate Holder with 51% interest; Joseph and Dennis Rigg with 35% and 14% interest respectively, to rehabilitate this three-story Victorian constructed in 1885 as three residential units. In November 1985, Rehabilitation Offering No. 25 was authorized for the rehabilitation of three Agency-owned buildings in the Western Addition A-2. However, upon subsequent findings by staff, rehabilitation of two of the buildings was determined to be infeasible and the Commission was advised of the intent to delete them from the offering. At the bid opening on April 16, 1986, one bid was received from a Certificate Holder and four from non-certificate holders. Based upon the selection criteria established in the offering, it was determined that the offer from Messrs. Edwards and Rigg is the highest qualified response. Satisfactory evidence of financial capacity and rehabilitation experience to undertake the project has been provided.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 132-86 BE ADOPTED.

- (i) Resolution No. 133-86 requests authorization to execute Subordination Agreements and Other Documents related to the Agency Financing provided under the Affordable Condominium Program (Program) in the Western Division A-2.

Mr. Hamilton reported on item (i) as follows. This authorization is necessary to administer and carry out the terms and policies established in connection with the shared appreciation loans made by the Agency under the Program and its current need relates to the plans by many of the borrowers to refinance their first loans with First Nationwide Savings. Under the program, the Agency made shared appreciation loans for the difference between the market rate loans

NEW BUSINESS (continued)

the purchasers could afford and the 95% of the sales price of the units. A copy of established Agency policy, distributed to the borrowers on June 17, 1985, contains a provision allowing refinancing of the first loans, and it will be necessary for the Agency to subordinate its loan to the new first loan in order to carry out this policy. Since the new first loan will be used to pay off the current first loan, the total debt secured by the property will not change nor will the Agency's position be impacted negatively. In addition to the Subordination Agreement required by First Nationwide Savings, a Modification Agreement between the Agency and the borrower will be required to restate the repayment terms of the Agency's loan so that the reduced monthly payments on the first loan, which will assist purchasers in handling the monthly payments, does not change the amount due on the Agency's loan. One borrower has been advised of loan approval to date and numerous others have submitted loan applications.

ADOPTED: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-86 BE ADOPTED.

- (j) Resolution No. 134-86 requests Conditional Approval of the Schematic Drawings for the Fillmore Center Developer's development on the parcels located between Fillmore, Steiner, Geary and Turk Streets; a portion of the vacated Ellis Street; and the parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Hamilton reported on item (j) as follows. A Land Disposition Agreement and the basic concept design of the development was approved in November 1985. Since this approval, the development program shown on the schematic drawings submitted for review was modified, leaving the total number of units at 1,113, but changing the residential unit mix. Now proposed is 311 studios from 275, 427 one-bedrooms from 466; 343 two-bedrooms from 336; and 32 three-bedrooms from 36. Anthony Lumsden of DMJM has been meeting regularly with the Agency's architectural staff and consultants and substantial progress has been made in the design of the project. There are several concerns that staff believes can be satisfactorily addressed during the next design development phase of architectural work.

Mr. Edmund Ong, Chief of Architecture, noted staff's design concerns, and believed they can be satisfactorily addressed during the next design development phase of architectural work.

Mr. Tony Lumsden, DMJ, thanked the Commission and staff for their support.

Mr. Donald Tishman, Fillmore Center Developers, also expressed appreciation to the Commission and staff.

Mr. Lee noted that the project had come a long way and is a pleasing project. His major concern was on the circulation of the low rise parking facility going up to the units, which needs to be worked on by the developer.

NEW BUSINESS (continued)

Mr. Newman indicated that the project had come a long way in the right direction. However, his principle thoughts were to stress to the developer the quality of living in such a large development as this. He also noted concern about access to the individual residences, so that it does not become difficult to come and go from the units.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-86 BE ADOPTED.

- (k) Resolution No. 135-86 requests authorization of a second amendment to the Easement, Covenant and Restriction Agreement relating to the Fillmore Center (Safeway); Western Addition A-2.

Mr. Hamilton reported that Agency General Counsel, Leo Borregard, has requested that this item be continued for one week.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (k) would be continued for one week. There being no such objection, it was so ordered.

- (1) Resolution No. 136-86 requests authorization of a Personal Services Contract, RPSB E8-HARBOR III with Moffatt & Nichol in an amount of \$1,150,000 in connection with Pier 40 and South Beach Park in Rincon Point-South Beach.

Mr. Hamilton reported on item (1) as follows. It is proposed to retain the services of Moffatt & Nichol to complete certain work which has been deleted from the Personal Services Contract RPSB E4-HARBOR II with Winzler & Kelly. Effective April 9, 1986, Change Order No. 1 to Contract RPSB E4 deleted all work related to Pier 40 and South Beach Park and also provided that the completion of design and construction consultation for the small boat harbor shall remain the responsibility of Winzler & Kelly. A contract has been formulated with Moffatt & Nichol, located in Walnut Creek, for services related to Pier 40 and South Beach Park, to keep a single design team engaged for the balance of the development and providing staff with sufficient flexibility to phase the design and construction within an overall budget that is reasonable for the work to be accomplished. Services will include design and preparation of construction contract documents as well as construction and general development consultation. Payment will be on a negotiated basis for specific tasks to be defined by individual work orders. Other work will be subcontracted to identified consultants on the team, although other sub-consultants may be retained to address specific issues unknown at this time, which may arise during the performance of the work. The overall contract amount of \$1,150,000 is considered to be reasonable, given the complexity of the project and difficult task of remodeling Pier 40 as opposed to constructing a new facility. Since the contract will run for three years or more and there will be many sub-consultants, specific fees are not included in the contract, but will be negotiated as the need arises. It is estimated that \$850,000 will be necessary to compensate Winzler & Kelly for the work to complete their contract, leaving unused \$450,00

NEW BUSINESS (continued)

from the original \$1.3 million authorized. Therefore, an additional amount of \$700,000 is required to be authorized to meet the proposed contract amount of \$1,150,000. These additional funds are partially available in existing bond proceeds and funds for the Park are to come from future financings. The increased authorization is being requested due to expenditures beyond the initial estimated costs in the Winzler & Kelly contract of approximately \$250,000 and an increase in the estimated cost of work to be completed under the Moffatt & Nichol contract over those anticipated in 1982 of about \$450,000. Cost overruns were incurred under the Winzler & Kelly contract, because of several issues, one of which was the delay in securing a permit from the Bay Conservation and Development Commission due to the Stadium issue. Also, the amount of the land the Port was willing to relinquish from its maintenance operations was not set until late in the design process, requiring replanning. With respect to the Moffatt & Nichol contract, the cost of design estimated in 1986 is substantially greater than projected in 1982 due to escalation resulting from delays in implementing the project, again, caused by the stadium issue and the unavailability of Pier 40. The firm's MBE/WBE goals and Affirmative Action Program have been reviewed and found to be satisfactory.

The Commissioners expressed their concern about changing firms at this time, the additional costs involved and how those costs can be met.

Mr. Robert Isaacson, Senior Civil Engineer, indicated that the cost of design estimated in 1986 is approximately \$450,000 more than the amount projected in 1982 due to escalation.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that the scope of work in the contract had been increased, which resulted in additional costs. Also, there was an increase to the cost of the work because implementation of the project had been delayed by two years due to the Stadium and I-280 studies. Bond financing would be used to meet these extra costs which are within the \$2.7 million provided in the overall budget for engineering design.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-86 BE ADOPTED.

- (m) Resolution No. 137-86 requests disapproval of schematic designs for Development Site I-2 (South Beach Marina Apartments Ltd.) located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in the Rincon Point-South Beach.

Mr. Hamilton reported that the developer has requested a delay until May 20 to approve or disapprove schematic designs they submitted on April 2, 1986 and has waived that portion of the OPA which would otherwise require Agency action on the Schematic Designs by May 2, 1986. It is requested that this item be continued to the meeting of May 20, 1986.

NEW BUSINESS (continued)

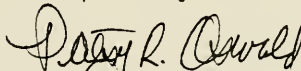
RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (m) would be continued until May 20, 1986. There being no such objection, it was so ordered.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government code Section 54956.9(a). The name of the case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

July 1, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
6TH DAY OF MAY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of May, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnette  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

and the following was absent:

Charlotte Berk (arrived 4:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was: Ocie Mae Rogers

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On May 14 at 11:30 a.m. St. Francis Place will hold their Grand Opening ceremonies with a dedication by the Mayor. St. Francis Place located at Third and Folsom in Yerba Buena Center consist of approximately 400 rental units and commercial space and is a welcome addition to that area and to the City.
- (b) On May 2, 1986, the San Francisco State Building Authority agreed to sell Refunding Certificates of Participation regarding the San Francisco State Building at the corner of Van Ness Avenue and McAllister Streets. The Building Authority, which is a joint powers authority composed of the Agency and the State of California, acting through the Department of General Services, originally sold its Certificates to finance the building in 1983 at an interest rate of 9.75%. The Certificates were refunded at approximately 7.4%, resulting in a rental savings to the State of approximately \$3.3 million, virtually all of which will be realized in the next three years.

## UNFINISHED BUSINESS

- (a) Resolution No. 135-86 requests authorization of a Second Amendment to the Document entitled "Easements with Covenants and Restrictions Affecting Land" (ECR) applicable to the Fillmore Center Development, consisting of the Safeway supermarket, the Office building and the Western Commercial Partnership I (WCP) housing development and related parking, public walkways and common areas (Development) in the Western Addition A-2.

Mr. Lee Borregard, Agency General Counsel, reported on this item as follows. The ECR established easements, covenants and restrictions affecting the Development and the land was conveyed to Safeway by the Agency on which it built the supermarket, office building and related common areas including the diagonal walkway between Geary and Fillmore (Public Walkway). Since approval of a First Amendment in late 1985, which clarified the right of WCP I to construct housing on the site adjacent to the Public Walkway, further changes have been discussed between the various owners, namely, WCP II as the potential owner of the office building; WCP I with respect to the housing site and the Public Walkway; Safeway; and the Agency who retains one small parcel which is used by Safeway in connection with its deliveries and servicing of the supermarket. The proposed Second Amendment to the ECR clarifies: that Parcel 3 consists of two subparcels, 3-A and 3-B; Section 3 which makes it clear that the First Amendment confirming housing uses was intended to apply only to Parcel 3-A; clarifies the need for new site plans and legal descriptions; assure public use of the Public Walkway and controls changes; confirms parking controls to the use of the office building and the required eighty parking spaces which provision was a condition to Safeway's approval of the First Amendment. Although the Agency would have preferred that Paragraph 7, providing for \$500,000 liability insurance, remain in, it has been deleted because Safeway has objected. The Agency's execution of the Second Amendment is conditioned on execution by all other parties.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-86 BE ADOPTED.

(Charlotte Berk arrived at this time, 4:10 p.m.)

## NEW BUSINESS

- (a) Resolution No. 139-86 requests authorization to Advertise a Contract for the demolition and site clearance of Block 677, Lot 15, 1956-1960 Sutter Street in the Western Addition A-2.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that item (a) would be continued for one week at staff request. There being no such objection, it was so ordered.

NEW BUSINESS (continued)

- (b) Resolution No. 140-86 requests authorization to extend Exclusive Negotiations, until August 6, 1986,, with Alvin Dworman, dba S.F. Development Company, for Parcel 3751-Q located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. Exclusive negotiations, authorized in October 1985, were extended to March 1986 when the schematic drawings were not found to be acceptable. A further extension was then granted to May 14, 1986 to refine the design which includes ground floor retail in addition to the approximately 213 housing units. However, the developer was also advised at that time that the subject parcel was being evaluated as an alternative location for YBG Associates parking if the Moscone Center Expansion were to be built under CB-2 and therefore they had the option to suspend further work until the matter was clarified. The study has now exempted the parcel and the developer has indicated the design process will be resumed. During the requested ninety-day extension period, it is anticipated that the design work can be completed and reviewed by staff and an LDA finalized. The LDA and Schematic Design will then be calendared concurrently for Commission consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-86 BE ADOPTED.

- (c) Resolution No. 141-86 requests authorization of Change Order No. 12 to Contract I - HARBOR in connection with Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. The subject contract provides for the construction of the South Beach small boat harbor. This Change Order covers furnishing labor, materials and equipment to install additional rebars in the pre-cast wave baffles which constitute a concrete sheet wall designed to prevent waves and surge from entering the harbor. Approval of the Agency's permit application by the Port of San Francisco was conditioned upon more reinforcing bars being provided. However, because notification of this requirement was received too late for inclusion in the advertised contract, which ran concurrently with the Port's review, it was not shown in the contract plans. The total cost of the required 22,785 square feet of wave baffle, at the negotiated unit price of \$1.60 per square foot, is \$36,456 and the contract amount will increase accordingly. Following evaluation, the Contractor's proposal is considered to be reasonable and this Change Order will not affect the contract completion time.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-86 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 142-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, to attend NAHRO's Housing and Community Development Educational Conference, Committee and Board of Governors meetings in Washington, D.C., June 4-9, 1986, at a cost not to exceed \$780.

Mr. Hamilton reported on item (d) as follows. Ms. Sause, in her capacity as NAHRO Senior Vice President, would attend meetings with key legislators and Congressional staff to emphasize the importance of preserving housing and community development programs for which massive cuts have been proposed. As National Senior Vice President, Ms. Sause's lodging will be paid for by NAHRO and cost to the Agency, including registration, airfare and per diem, will not exceed \$780.

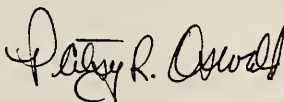
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-86 BE ADOPTED.

President King indicated that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT:

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:20 p.m.

Respectfully submitted,



Patsy R. Oswald  
Secretary

APPROVED

June 3, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF MAY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of May, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Dorman L. Commons  
Melvin D. Lee

and the following were absent:

H. Jesse Arnelle  
Charlotte Berk (arrived 4:05 p.m.)  
Haig G. Mardikian (arrived 4:05 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were M. J. Staymates, Calvin Lau, Western Addition Neighborhood Associates (WANA); and Dexter Woods, Woods Group.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of March 11, 1986, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried that the minutes of the closed session of March 18, 1986, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of March 25, 1986, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of April 1, 1986, as distributed by mail to the Commissioners be approved.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the closed session of April 29, 1986, as distributed by mail to the Commissioners be approved.

APPROVAL OF MINUTES (continued)

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the closed session of May 6, 1986, as distributed by mail to the Commissioners be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) Just a reminder that St. Francis Place will be holding their Grand Opening ceremonies on May 14th at 11:30 a.m. The Mayor will be there to dedicate this facility consisting of 400 residential rental units and ground floor commercial space located at Third and Folsom in Yerba Buena Center.

UNFINISHED BUSINESS

Resolution No. 139-86 requests authorization to Advertise a Contract for the demolition and site clearance of Lot 15, Block 677, 1956-1960 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This item was continued from last week's meeting because of some technical considerations that have now been resolved and staff is ready to proceed. This three-story wood-frame building contains eight residential units and ground floor commercial space. After a feasibility analysis by an independent contractor, staff concluded that rehabilitation of the building is not feasible for either rentals or condominiums. It is anticipated, as in previous years, the premises will be vacated prior to the termination date, thereby permitting a timely clearance of the site under the proposed demolition schedule to allow for new development.

Ms. Berk and Mr. Mardikian arrived at this time, 4:05 p.m.

Ms. Mary Jane Staymates indicated that although she was not opposed to the demolition, she felt it was feasible to rehabilitate the building and noted her concern that the lot would remain vacant for a long time causing a security problem. Also, she requested to be advised of the architectural plans for the new construction to ensure it will fit in with her Victorian, which is located adjacent to the subject site. She requested that demolition not proceed until the new construction is ready to commence and that she be informed prior to commence of demolition.

The Commissioners acknowledged that Ms. Staymates concerns were valid and also expressed their concern about leaving the lot vacant for several years. Mr. Hamilton indicated that a rehabilitation feasibility analysis had been performed by an outside contractor who confirmed staff's judgment that rehabilitation is infeasible. Also, there had been at least three different expressions of interest to develop the parcel; however, those interested are not willing to invest money in preparing a design without an assurance that the

UNFINISHED BUSINESS (continued)

demolition will go forward. He suggested the resolution be approved, but that the notice to proceed be held until the appropriate time and that specific concerns can be expressed in the offering proposal, which must be approved by the Commission.

It was the consenses of the Commission that the resolution be amended to state demolition would be coordinated with the anticipated commencement date of new construction and that Ms. Staymates would be given written notice in an appropriate period of time, to be determined by the Executive Director, in advance of the commencement of demolition.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-86 AS AMENDED BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 146-86 requests authorization of a First Amendatory Agreement to the LDA with the Woods Group for 1339-1341 Pierce Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In August 1986, an LDA was authorized for the rehabilitation of this two-story Edwardian-style building, constructed in 1900, as residential units. Although all prior LDA requirements were met in a timely manner, the developer was placed in default on April 28, 1986, for failure to submit evidence of financing. The developer's loan broker has provided a letter indicating that loan approval is anticipated. However, because of the increased loan volume due to current low interest rates, a delay in processing has been experienced. The proposed revised Performance Schedule calls for submission of evidence of financing by June 23 and conveyance of the site by August 27, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-86 BE ADOPTED.

- (b) Resolution No. 143-86 requests authorization for the Executive Director to Exercise or Waive the Agency's Assignable Repurchase Options in connection with thirty-seven units sold through the Affordable Condominium Program (Program) in the Western Addition A-2.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (b) would be continued for one week at staff request. There being no objection, it was so ordered.

- (c) Resolution No. 144-86 requests authorization of a First Amendment for Legal Services with Lawrence J. Koncz in connection with All Redevelopment Project Areas.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. An Agreement was entered into in October 1979 with Mr. Koncz who has provided excellent service in connection with the Affordable Condominium Program in the Western Addition A-2. Since it is now desired to utilize his services to review the buy-sell agreements for potential homeowners of specified lots in Site S-4 in Hunters Point, it is proposed to increase his hourly rate to conform with fees charged in the Bay Area for this type of expertise; to expand the Scope of Services to include services to cover all Redevelopment Project Areas; and to bring the Agreement in conformity with the Agency's current contract provisions. It is not proposed to increase the maximum amount payable as the \$5,000 remaining in contract funds is estimated to be adequate to cover anticipated services. It should be noted that due to the current restrictive insurance market, the amendment requires that Mr. Koncz maintain comprehensive general liability insurance in an amount of \$1 million combined single limit, rather than \$2 million, which it is believed will provide sufficient protection in connection with these services.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-86 BE ADOPTED.

- (d) Resolution No. 145-86 requests authorization to further Amend Resolution No. 217-83 (Bond Resolution) in connection with the Agency's Yerba Buena Center Project Liquidity Facility Revenue Bonds, Series 1983.

Mr. Hamilton reported on item (d) as follows. On March 25, 1986, a substitute Letter of Credit, previously issued by the Bank of America, was replaced by a Letter of Credit issued by Sumitomo Bank as security for the Bonds. This substitution had the effect of upgrading the rating on the bonds, since the Bank of America's credit rating had been lowered slightly. In order to maintain the upgraded rating resulting from the substitution, Moody's Investors Service, a major bond rating agency, has requested that the Bond Resolution be further amended to require notice to be sent to Bondholders in the event of expiration of the Sumitomo Letter of Credit. The Bank of America has agreed to the proposed amendment and the required notification will be given by the Bankamerica Trust Company at no additional cost to the Agency.

Mr. Commons inquired under what circumstances could this Letter of Credit expire when the bonds are based on the Letter of Credit. David Oster, Assistant Agency Counsel, indicated that the Sumitomo letter of credit runs through 1989, whereas the bonds run through 1990. Sumitomo could extend its Letter of Credit, but if it doesn't, then either the Bank of America Letter of Credit would replace it or the Bank of America could arrange for another Letter of Credit. In any event, the Bondholders would not be left without the protection of at least the Bank of America Letter of Credit. Mr. Commons asked if that information was contained in the prospectus. Mr. Oster replied that this was

NEW BUSINESS (continued)

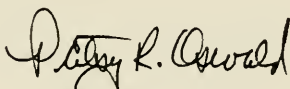
a publicly sold issue and the Bondholders had been advised that a Bank of America Letter of Credit would secure the issue. A Letter of Credit from a bank with a higher rating is actually a bonus to the Bondholders.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald  
Agency Secretary

APPROVED:

June 10, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
20TH DAY OF MAY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of May, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was: Ocie Rogers.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) The architectural firms of Maki, Polshek and Giurgola are examining the question of the Moscone Convention Center Expansion and will be prepared to brief the Commission next week, as scheduled.

UNFINISHED BUSINESS

- (a) Resolution No. 103-86 requests authorization of a First Amendment to the Owner Participation Agreement (OPA) with Rincon Center Associates for the development of Block 3716, Lot 1, (Development Site B) located in the block bounded by Mission, Steuart, Howard and Spear Streets in Rincon Point-South Beach.

UNFINISHED BUSINESS (continued)

- (b) Resolution No. 104-86 requests Conditional Approval for the Preliminary Construction Documents for Rincon Center Associates' development.

Mr. Hamilton reported on items (a) and (b) as follows. In August 1985 an OPA was authorized for a mixed-use development which includes: historic renovation of the Rincon Annex Post Office; additions to Rincon Annex; the construction of approximately 316 dwelling units; parking spaces for 392 cars; approximately 112,000 square feet of ground floor retail and approximately 387,000 square feet for office use. This 151,000 square foot parcel will be leased to the developer by the United States Post Office for sixty-five years. In accordance with the OPA, which provides for a "fast track" schedule, approval has been obtained from the Bureau of Building Inspection for a schedule which advances certain submission dates on the site permit application and also redefines the addendum package. The OPA also requires that a glass curtain wall mock-up be constructed by the time the Preliminary Construction Documents are submitted, however, the submittal was made without the mock-up being constructed because of the developer's desire to move the project forward rapidly and because a subcontractor for the curtain wall was not in place. Since the performance dates associated with the "fast track" method often require revision as the development proceeds, it is considered that the proposed amendment which authorizes staff to insert and revise submission dates, as necessary, will result in a more efficient and expeditious process. This procedure is consistent with the "fast track" administration of the Agency's standard OPA's and LDA's. The Agency's design and permit review rights will not be affected by this amendment and, upon completion, the curtain wall mock-up will be calendared for Commission consideration. Construction has commenced and the developer has made good faith efforts to move this project forward in a timely manner. The Schematic Architectural Design was approved in August 1985, subject to satisfactory resolution of staff design concerns, some of which have been resolved satisfactorily while others, to be described by the Agency's architectural staff, require either further study or additional attention during the final construction document phase. The Department of City Planning staff generally concur with staff's review of the project and their comments have been incorporated into the list of design concerns.

Mr. Edmund Ong, Chief of Architecture, described staff's design concerns and indicated that it is anticipated these concerns can be satisfactorily addressed during the Final Construction Document phase.

Mr. Newman expressed his concern that two elevators would be sufficient to service each tower and Mr. Hamilton indicated that staff had looked at similar projects and it was their judgement that the two elevator arrangement is adequate.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-86 BE ADOPTED.

- (c) Resolution No. 137-86 requests Conditional Approval of the Schematic Drawings for SBMA, Ltd.'s development of Assessor's Block 3789, Lots 26 and 27 (a portion of Development Site I) located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. In November 1985 an Owner Participation Agreement (OPA) was conditionally approved with R. J. Nathan for a 414 unit rental development. The property has subsequently been assigned to SBMA who propose to construct 414 dwelling units and 8,456 square feet of ground floor neighborhood commercial space on this 146,688 square foot site. The development will include two buildings of 13 and 14 stories and two four-story structures. The 15% height and density bonus permitted in the Owner Participation Rules for the Redevelopment Project will be taken advantage of since, without the bonus, only 360 units would have been permitted. Parking will be provided in a separate five-story structure and a portion of the roof of the garage will be used for tennis or other recreational activities. Staff has held a number of meetings with the developer's architects to review the schematic design and express some of the Agency's major design concerns. Since the original submission on March 17, 1986, efforts have been made to develop design solutions, which would respond to certain of the concerns. Modifications that have been made resulted in a positive change. The Department of City Planning staff generally concur with staff's review of the project and their comments have been incorporated into the list of design concerns.

Mr. Edmund Ong, Chief of Architecture, described staff's design concerns and indicated that it is anticipated these concerns can be satisfactorily addressed during the Preliminary Document Phase.

Mr. Arnelle indicated that he found the elevation and massing of the buildings unacceptable for this area. Mr. Hamilton noted that the question of massing, which had to do with heights, volumes and where the buildings are placed, was addressed rather clearly and approved at the conceptual design phase and the elevations, as they are shown, are well within the limitations of the Redevelopment Plan for the area.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE AND CARRIED, WITH MR. ARNELLE DISSENTING, THAT RESOLUTION NO. 137-86 BE ADOPTED.

UNFINISHED BUSINESS (continued)

- (d) Resolution No. 143-86 requests authorization for the Executive Director to Exercise or Waive the Agency's Assignable Repurchase Options in connection with thirty-seven units sold through the Affordable Condominium Program in the Western Addition A-2.

Mr. Hamilton reported that this item was continued from last week's meeting and it is requested that it be further continued to the meeting of May 27, 1986.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (d) would be continued for one week at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 147-86 requests authorization to extend the Conveyance Date from May 14 to July 14, 1986, to the LDA with Sutter Street Associates, Ltd. for 1689 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. In May 1985 an LDA was authorized for the rehabilitation of this two-story single family Victorian building constructed in 1875. Although all pre-conveyance requirements have been complied with in a timely manner, Mr. David Mischel, the general partner, needs additional time to reactivate his contractor's license as required by his lender, Sacramento Savings, and the Agency. Mr. Mischel is presently not active in the construction business, however, because he intends to reside in the building after it is rehabilitated, he wishes to act as the general contractor. In the past, Mr. Mischel has successfully completed a number of rehabilitation projects for the Agency, including buildings in the Victorian Square and Affordable Condominium projects. The requested extension period is considered to be adequate for reactivation of the contractor's license and preparation of the necessary loan documents.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-86 BE ADOPTED.

- (b) Resolution No. 148-86 requests authorization to extend the Schedule of Performance by thirty days for Yerba Buena Gardens Central Blocks, Phase 2, in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. Three 30-day extensions were previously approved pending finalization of a report by a Task Force, appointed by the Mayor, to analyze the effect of a request for additional exhibit space for the Moscone Convention Center. Because of the uncertainty created, and the fact that the time needed to conclude the study cannot be predicted, it is considered appropriate to grant the requested extension.

NEW BUSINESS (continued)

Ms. Berk inquired how many more extensions it is anticipated will be requested and Mr. Hamilton indicated that though the Agency is involved in the process, it does not control it, and the ultimate time cannot be predicted.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-86 BE ADOPTED.

- (c) Resolution No. 149-86 requests authorization to Amend the Annual Salary Resolution No. 179-85 to create the classifications of Harbormaster and Landscape Architect/Architectural Contracts Administrator

Mr. Hamilton reported on item (c) as follows. With the anticipated completion of the South Beach Small Boat Harbor in September 1986, it is important to engage an experienced Harbormaster by late June/early July to prepare for the Harbor's opening and the Harbor's on-going operations. Prior to the opening, the Harbormaster will be responsible to the Project Director for developing the Harbor's operational policies and procedures, assisting in the marketing of berths, and hiring and training of support personnel. Following the opening, the Harbormaster will be responsible for day-to-day operations, including berth assignments, security maintenance, supervision of staff, development of plans for the Harbor, budgeting, safety, and coordination of special boating events. In order to be competitive with similar positions in the Bay Area, it is proposed to set the Harbormaster's salary 25% over the City's closest comparable classification of Marina Manager at \$34,348 to \$41,656. This is due to the responsibilities and requirements of the Agency classification being at a higher level in a number of areas. A Landscape Architect/Architectural Projects Coordinator classification, as initially proposed during the re-negotiations of the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21, also needs to be established. Mr. William Carney, a licensed Landscape Architect, has been employed by the Agency for a number of years as an Architectural Associate, negotiating and administering architectural and landscape architectural contracts. Following an evaluation of his current responsibilities, the creation of this new classification is considered to be justified at a salary range of \$37,662 to \$45,623, which is midway between the City Classifications for Senior Landscape Architect and Architectural Administrator.

Mr. Lee inquired as to the proposed function of the Landscape Architect; how long his services would be required; and whether he would be confined to the Harbor project. Mr. James Nybakken, Administrative Services Officer, indicated there are several landscape contracts now in process in Yerba Buena Center and Rincon Point-South Beach and it is anticipated that the Landscape Architect will be needed for several years to complete the work.

Mr. Mardikian expressed concern that the Agency was going to be hiring a Harbormaster and operating the boat harbor, as he felt that this is not a Redevelopment Agency business. Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that bond financing cannot be used if there is a private operator in place. In addition, the Cal Boating loan requires that it be operated by a Public Agency. He further indicated that the Agency could hire a property management firm, and staff had explored if any were running harbors but none could be located. Property management firms involved in housing or commercial had also been looked at but, although they had an interest, they did not have the special expertise in running a harbor. Therefore, it is felt that it is most advantageous for the Agency to hire its own expert to at least start off the operations. Mr. Mardikian inquired if consideration had been given to having the Port or Parks & Recreation Department run the Harbor. Mr. Cannizzaro indicated that the Parks & Recreation Department had wanted a guarantee of enough money to run the Harbor and any profit they made would go to other parks. The Agency needs to make a profit to pay the bonds back.

Mr. Redmond Kernan, Senior Deputy Executive Director, noted that it is anticipated the harbor will be turned back to the Port in the future. However, it is felt the Agency is best able to start up the project to protect its interest.

Mr. Mardikian indicated his support with the condition that the resolution be amended to express the Agency's intent to cease to be the operator of the South Beach Small Boat Harbor as soon as prudently possible.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-86 BE ADOPTED AS AMENDED.

- (d) Resolution No. 150-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C. to attend a meeting with Stanley Newman, HUD Director, Office of Urban Development Action Grants and YBG Associates, on May 23, 1986, in connection with Yerba Buena Gardens in Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. It was recently announced that there will be approximately \$168 million UDAG funds available this year, with the first round of applications to be submitted at the end of May and the second round due at the end of July. A number of meetings have taken place during the past three years on a potential YBG UDAG and the Developer has now requested an application be submitted for the July UDAG application round for the retail portion of the project and the Mission Street bridge. This meeting with the HUD Central Office staff and a local HUD representative is necessary to determine whether HUD will consider the request prior to its review by the Commission and the Mayor. Cost to the Agency, including air fare, hotel and per diem will not exceed \$910.

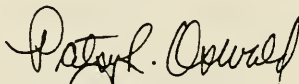
NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald  
Secretary

APPROVED

June 24, 1986



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
27TH DAY OF MAY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of May, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

DOCUMENTS DEPT.

and the following were absent:

Walter S. Newman, Vice President  
H. Jesse Arnelle

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was: Ocie Mae Rogers

UNFINISHED BUSINESS

- (a) Resolution No. 143-86 requests authorization for the Executive Director to Exercise the Agency's Assignable Repurchase Options with respect to 1939 and 1521 O'Farrell Street and to expend Funds from the A-2 Housing Fund to purchase these units, pay Homeowners Association Dues and Marketing Expenses in connection with the Affordable Condominium Program in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows: It had been intended to bring this matter before the Commission previously but, because there were some concerns, the program had been further reviewed resulting in changes being made to the resolution originally proposed. The Program includes a resale restriction to prevent speculation and to enable these units to remain affordable to moderate income families for a period of seven years by means of a repurchase option retained by the Agency. Should the Agency elect to exercise its repurchase option, the option is then assigned to an eligible purchaser



UNFINISHED BUSINESS (continued)

and the profit of the original purchaser is limited so as to retain the unit's affordability. In the event the option is waived then the owner may sell the unit on the open market and the Agency's loan, plus its share of any accrued appreciation, is due and payable on sale. On April 22, 1986, the Agency was notified by Shirley Wells, an A-2 Certificate Holder, of her intention to sell a one-bedroom unit purchased for \$72,000 in August 1983, located at 1939 O'Farrell Street. This notification commenced the sixty day option period within which the repurchase option must be exercised or waived. Originally it was proposed to waive this option since it was assumed that the unit could be purchased by a moderate income person without the Agency's involvement. However, upon further evaluation it has been concluded that this and certain other Program objectives can only be met by exercising the option, the primary reason being that this is the only way to ensure that the unit is in fact sold to a moderate income family. Also, only a 5% downpayment is required under the Program, rather than the 10% required by other lenders. In addition, exercising the option also permits the Agency to extend profit limitations and repurchase provisions to the new purchaser for an additional seven years, whereas waiving the option permanently removes these restrictions. The seller also benefits in that no real estate commission is paid and an all cash sale is obtained. On May 14, 1986, notification was received from Guillermo and Beth Estebanez, of their intention to sell a three-bedroom unit purchased for \$175,000 in December 1984, located at 1521 O'Farrell Street. The price of this unit is such that, even at the current low interest rates, a moderate income family could not afford it without the Agency's assistance. In order to prevent the loss of affordable housing sources, it is proposed that the Agency purchase these units, using the A-2 Housing Fund, and resell them imposing a new seven year option period thereby extending the affordable life of the units. Based on the repurchase option formula, the maximum amount of cash that the Agency will be required to pay the current owners will be \$50,000 for 1939 O'Farrell and \$80,000 for 1521 O'Farrell Street. The balance of the purchase price in each case will be the Agency's forgiveness of the secondary financing which it provided under the Program. Since appraisals are not yet available, these amounts are maximums and the actual amounts paid for the units will be determined after the appraisals are received and will be somewhat less than the amounts indicated. To ensure total replenishment of the A-2 Housing Fund, the new purchasers would need to have the same or more income than the existing owners so that the amount of secondary financing through the Program is the same or less. However, it is staff's opinion that the imposition of this additional constraint would make marketing the units considerably more difficult. It is therefore intended to generally follow the original marketing program with such modifications as were



UNFINISHED BUSINESS (continued)

later incorporated in the resale of these units. Commission consideration of the disposition of each of these units will be sought following a noticed public hearing. A marketing program to generate application for the two units currently available and to establish a waiting list for any future options has been developed providing for notification to all Certificate of Preference Holders; persons from the general public on other housing management waiting lists; and newspaper advertising. Mailing and advertising costs will not exceed \$1,900. The proposed resolution therefore authorizes: the Executive Director to exercise the Agency's options with respect to 1939 and 1521 O'Farrell Street and to repurchase these units using the A-2 Housing Fund; payment of homeowners' association dues, not to exceed \$350 per month, during the term of the Agency's ownership of the units; an amount of \$1,900 for remarketing of the units to qualified purchasers.

Mr. Commons noted that he was in favor of what the Agency was endeavoring to accomplish and inquired as to the procedure. David Oster, Assistant Agency Counsel, explained the process of the Affordable Condominium Program and Darby Nelson, Senior Development Specialist, Engineering and Rehabilitation, explained how the second mortgage is repaid to the Agency. Mr. Commons inquired as to the selection process. Lee Cayton, Housing Management Supervisor, indicated that the Certificate of Preference Holders would come first and others would be processed on a first-come, first-serve basis.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 151-86 requests authorization of a Second Amendatory Agreement to the LDA with John, Gianni and Virginia Pasini for the building at 1800 Eddy Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows: An LDA was authorized in October 1984 and conveyance occurred in January of this year. The proposed amendment would permit the addition of an extension to the rear of the existing structure and increase the number of units allowed under the LDA from four to five. The building located on the corner of Eddy and Scott Streets faces Eddy Street with the length or side of the building facing Scott Street. The proposed extension would bridge the gap along Scott Street between the back of the building and 1209 Scott Street which was also purchased from the Agency and rehabilitated by the Developers. This extension provides an additional entrance to the building from



NEW BUSINESS (continued)

Scott Street which results in the elimination of some hallways in the existing building thereby increasing the existing living spaces. Garages will be provided for all five units. The design of the extension carries out the Victorian characteristics of the building and enhances the development. Even with the extension, the open space and density requirements of the Redevelopment Plan will be met. The developers, who have completed previous rehabilitation projects with the Agency in substantially less time than allowed, do not expect the proposed addition to affect the performance schedule.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-86 BE ADOPTED.

- (b) Resolution No. 152-86 requests authorization to Award Contract II - ONSHORE to Valentine Corporation in an amount of \$2,329,969, on basis of lowest bid received in connection with Rincon Point-South Beach.
- (c) Resolution No. 153-86 requests authorization to permit Valentine Corporation to subcontract additional portions of Contract II - ONSHORE in connection with Rincon Point-South Beach.

Mr. Hamilton reported on items (b) and (c) as follows: The subject contract provides for construction of onshore improvements from Pier 40 to China Basin on the bay side of the Embarcadero which, in conjunction with the off-shore improvements being constructed under Contract I - HARBOR, will allow for the opening of the South Beach Harbor this Fall. The improvements include two additional access gangways to the berthing system, parking and miscellaneous public amenities, boaters' and public restrooms, landscaping, and a public access along the waterfront and along the full length of the south breakwater. Although fourteen firms requested bid documents, at the bid opening on May 8, 1986, only two bids were received with the lowest being from Valentine Corporation in an amount of \$2,329,969. This bid is 14.6% above the Engineer's estimate of \$2,033,400. However, when comparing the close grouping of the two bids received, it is considered to be reasonable. Since a telephone survey of several of the potential prime contractors who requested bid documents revealed that involvement with other work precluded bids being submitted, it is staff's opinion that rebidding the contract will not produce more favorable bids. In addition, rebidding would delay the harbor opening which, in turn, would adversely affect the Small Boat Harbor revenues and timely bond financing, all to the detriment of the Agency and the public. In the original bid, Valentine indicated participation by minority subcontractors. However, in order to increase



UNFINISHED BUSINESS (continued)

minority participation they have now requested permission to make additions and amend the form of subcontractor's listing as filed with their bid. Pursuant to State law, such changes may only be made if permitted by the awarding authority in cases of public emergency or necessity, and then only after a written finding, as a public record, of the facts constituting the emergency or necessity. In this case, approval of this request will increase the Minority Business Enterprise participation in the work covered by the contract and comply with its MBE goal, which compliance is in accordance with Agency policy and also desirable as a matter of public policy. It is staff's opinion that this fact, coupled with the urgent need to proceed with the contract, constitutes a public necessity, as required by law. Although there are sufficient South Beach Harbor funds available to cover the cost of this contract (after allowing appropriate reserves for potential change orders and claims for Contract I - HARBOR, this new contract and for other remaining items of Phase I work) the amount of \$13,580,000 allowed in the project budget for Phase I construction would be exceeded by \$770,000. However, it is proposed to effect appropriate change orders to reduce the Contract II amount and a preliminary list has identified items which could result in a net deduction of \$400,000 to \$450,000. The firm's affirmative action and safety programs have been reviewed and found to be satisfactory. Valentine Corporation, located in San Rafael, California, has performed satisfactory work for the Agency in Yerba Buena Center and the Western Addition.

The Commissioners expressed their concern about the award of this contract and the possible net deduction of \$400,000 to \$450,000 and inquired why the contract was not being rebid. Frank Cannizzaro, Project Director, Rincon Point-South Beach, explained the reasons for awarding the contract to Valentine Corporation, and that it was staff's opinion that rebidding would not bring in a lower bid and it would delay the harbor opening by at least two months. The deduction can be made by change orders to this contract and those items deducted can be rebid at a later date.

Leo Borregard, Agency General Counsel, indicated that he was satisfied that approximately three-quarters of the proposed changes are at set unit prices on which there is no negotiation and which are allowed under the contract.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-86 BE ADOPTED.



NEW BUSINESS (continued)

- (d) Resolution No. 154-86 requests authorization of a Personal Services Contract RP-SB E8 HARBOR III with Moffat & Nichol, Engineers, in connection with Rincon Point-South Beach.

Mr. Hamilton reported on item (d) as follows: This contract, which provides for design and general consultation services for Pier 40 and South Beach Park, was approved in April 1986. However, prior to execution of the contract, the Consultants found they could not meet the Agency's standard general liability insurance requirements of \$1 million per occurrence for both bodily injury and property damage or, alternatively, a combined single limit of \$2 million per occurrence. Although their annual aggregate insurance policy limit of \$3 million per occurrence is higher than the Agency normally requires, in any given year one or more large claims related to other activities of the Consultants could conceivably exhaust the aggregate and eliminate coverage for a subsequent Agency claim. Following analysis, staff has concluded that the Agency's risk in the area of general liability from this type of design contract is limited and the greater risk lies in the area of errors and omissions. It is therefore proposed to revise the standard insurance requirements to: accept a \$3 million combined single limit annual aggregate with the Consultants being required to immediately notify the Agency of any claim, loss or damage in excess of \$50,000 in order for the situation to be evaluated. Should any potentially large loss occur, a course of action would be determined at that time; increase the standard \$250,000 errors and omission coverage with a \$50,000 deductible to a \$500,000 limit with a \$75,000 deductible. The Consultants must also certify that they are financially able to pay the deductible in the event of a claim. Certain changes in the indemnification language of the contract are also proposed which clarify but do not make substantive changes to the indemnification provision.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-86 BE ADOPTED.

- (e) Resolution No. 155-86 requests authorization of a First Amendatory Agreement to the LDA with Harrison Plaza Associates for Parcel 3751-P located on the northwest corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

Mr. Hamilton reported on item (e) as follows: An LDA with Brighton Associates authorized in April 1985, was subsequently assigned to Harrison Plaza Associates. The proposed six story office building, which is in compliance with the 80 foot height limit in the area, totals approximately 70,249 square feet of occupied floor area and contains approximately 140 parking spaces. Preliminary construction documents were approved in January 1986 and the developer's request for a



NEW BUSINESS (continued)

"fast track" schedule was approved in February 1986. A financing commitment has been secured and the final loan documents are due to be signed before May 30, 1986. However, since the Building Permit addenda for excavation and foundation will not be obtained as required by the LDA by the close of escrow on June 2nd, a sixty day extension has been requested to ensure the permit process is complete. Both the developer and the City estimate these permits will be issued on June 20 and June 27 respectively. Since the developer has performed in a timely manner and construction can commence once the addenda are issued, the proposed extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-86 BE ADOPTED.

- (f) Resolution No. 156-86 requests authorization of a Second Amendment to the Agreement for Legal Services with the law firm of McCutchen, Doyle, Brown & Enersen which increases the maximum amount payable by \$75,000 and makes certain other changes in connection with Hunters Point.

Mr. Hamilton reported on item (f) as follows: This firm has been providing legal services to the Agency since August 1979. The Agreement was amended in December 1984, increasing the original amount of \$25,000 by \$50,000 for a total maximum contract amount of \$75,000 in order for the firm to handle three new litigation matters on the Agency's behalf. Activity in these three cases has intensified in recent months and, since present funds are almost depleted, the requested increase is necessary to enable the firm to continue to represent the Agency in this litigation. A further amendment to the Agreement is also proposed to bring the conflict of interest language into conformity with the Agency's current contract provisions.

Mr. Commons noted the large increase over the original contract amount. Leo Borregard, Agency General Counsel, indicated that unfortunately, it was being dictated by events. If a summary judgement is obtained then all the funds may not be used but, if not, then staff will have to return and request additional money for this contract.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-86 BE ADOPTED.

- (g) Resolution No. 157-86 requests authorization of a new Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21.



NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows: This Memorandum of Agreement, which was due to expire on December 31, 1985, covers twelve Agency employees in architectural and engineering classifications. However, on December 10, 1985, Local 21 made a request to negotiate contract changes beyond the normal sixty day notice period prior to expiration and, because of changes being negotiated in the Local 790 Agreement, which would also appropriately belong in the Local 21 Agreement, staff agreed to this request. The terms of the old Agreement therefore continued to remain in full force and effect, pending mutual agreement regarding the proposed changes. It is considered that the negotiations were conducted in a constructive manner which fairly resolved a wide range of Union and Management concerns.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-86 BE ADOPTED.

- (h) Resolution No. 158-86 requests authorization of a new contract, in an amount not to exceed \$1,544.64 per month, with Bay Area Janitorial and Maintenance Company (BAJAMCO) for one year commencing June 2, 1986, with a one year renewal option at a cost not to exceed the San Francisco-Oakland Consumer Price Index for all Urban Consumers for the period April 1986 to April 1987.

Mr. Hamilton reported on item (h) as follows: Beginning in 1982, this local minority business enterprise has been awarded two 2-year contracts. For the past two years compensation has been at \$1,072.78 per month for the 20,650 square foot office space, as well as the restrooms on the second, third and fourth floors and a periodic cleaning of the garage space. BAJAMCO has not been able to recoup all of its expenses from contract payments, but was willing to do this to provide jobs for family members and because the excess costs could be apportioned over a number of larger contracts. However, since BAJAMCO now intends to sell a major portion of the business, the absorption of the excess costs will no longer be feasible. Also, as with most other contractors, the increase in the cost of insurance for BAJAMCO has been significant. It is also proposed to expand the scope of services to include such items as regular cleaning of the lobby and office walls, scheduled spot cleaning and detailed vacuuming of carpets. The new monthly compensation of \$1,544.64 is considered to be reasonable when taking these factors into consideration. The Agency's insurance requirement is proposed to be set at \$1 million single limit for general liability which is believed to be fully adequate given the limited risk to the Agency associated with the scope of services under the contract. A waiver of the automobile liability requirement is also proposed because no automobiles will be used in carrying out



NEW BUSINESS (continued)

services under the contract. The previous insurance policy under the old contract expired on May 7, 1986 and staff approved the replacement policy of \$1 million each for bodily injury and property damage, including automobile liability, for the balance of the old contract's terms. BAJAMCO's performance has been consistently satisfactory.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Requests authorization of Personal Service Contracts in regard to the Emeric-Goodman & Associates v. RACCSF in connection with the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows: The Commission previously authorized the Executive Director to enter into personal services contracts in a total amount of \$15,000 for expert consultation and testimony in connection with the case of Emeric-Goodman v. RACCSF, scheduled for trial on June 20. Counsel requests the Commissions' authorization to adjust the amounts of the individual contracts as may be necessary due to differences in workloads among the contractors. The total amount for the designated consultation and testimony remains unchanged.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT COUNSEL BE AUTHORIZED TO ADJUST THE AMOUNT OF INDIVIDUAL CONTRACTS PREVIOUSLY AUTHORIZED IN THE TOTAL AMOUNT OF \$15,000 FOR EXPERT CONSULTATION AND TESTIMONY IN CONNECTION WITH THE EMERIC-GOODMAN v. RACCSF CASE, AS MAY BE NECESSARY WITH THE TOTAL AMOUNT TO REMAIN UNCHANGED.

- (b) Resolution No. 159-86 requests Approval of a Supplemental Indenture for Multifamily Housing Revenue Bonds, 1985 Issue A (Federal National Mortgage Association Program/Fillmore Center Project) in connection with the Western Addition A-2.

David Oster, Assistant Agency Counsel, reported on item (b) as follows. The Agency issued its mortgage revenue bonds for the Fillmore Center project in the Western Addition in December of 1985. The bonds bore an interest rate of 7% until the period between May 1, 1986 and July 1, 1986, at which time the bonds were required to be re-marketed and a new interest rate established. The interest rate so determined could be either for the remaining 21-year term of bonds, or such shorter period after 1997 as determined by the re-marketing agent. Prior to any re-marketing, bondholders have the option of tendering their bonds to the Trustee for repurchase at par. Permanent security for the bonds will be provided by the Federal National Mortgage Association through its Pass-through



MATTERS NOT APPEARING ON AGENDA (continued)

Certificate. The "Fannie Mae" commitment, which has now been issued in draft form, precludes this tender option, and the bond indenture must, therefore, be amended accordingly by execution of a Supplemental Indenture. This will result in the re-marketing between May 1, and July 1 being for the entire 21-year remaining term of the bonds. It is necessary that the approval of a Supplemental Indenture be granted at least 30 days prior to the re-marketing date of July 1 in order that bondholders receive the required notice. The Supplemental Indenture also makes a minor change in the title of the bonds and a technical change in the order of redemption of certain bonds. Execution of the Supplemental Indenture has been approved by Bond Counsel, the Developer and the Underwriters.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

Patsy R. Oswald  
Agency Secretary

APPROVED

July 15, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY  
OF SAN FRANCISCO HELD ON THE 3RD DAY OF JUNE 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 3rd day of June, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Haig G. Mardikian

DOCUMENTS DEPT.

and the following were absent:

Dorman L. Commons (arrived 4:25 p.m.)  
Melvin D. Lee (arrived 4:10 p.m.)

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Mr. Benjamin James, Dr. Coleman and Mr. Fred Cadham, representing Third Street Gateway Associates.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the special meeting of December 16, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of December 17, 1985, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of February 25, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of May 6, 1986, as distributed by mail to the Commissioners, be approved.



REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matter:

- (a) A tribute to Dan Collins, a prominent civic leader and long time professional resident of the Western Addition, will be held on June 7 at the Fairmont Hotel. The proceeds from this event will benefit the National Urban League and Paine College, Dr. Collins' alma mater.

NEW BUSINESS

- (a) Resolution No. 160-86 requests authorization to Expend Funds for a Work-Study Program with the University of California from July 1, 1986 through June 30, 1987, in an amount not to exceed \$5,000.

Mr. Hamilton reported on item (a) as follows: This Program, which the Agency has participated in for the past several years, allows students to earn money during the school year and gain work experience in their fields of educational interest. During the past year, three interns have been used in Fiscal, Engineering & Rehabilitation, and Architecture Divisions, assigned to projects, which not only assists the students in their educational growth but also accomplishes work that contributes to the overall efforts of the Agency. Currently, the Agency pays 50% of the student's wage with the remainder being provided by the University through the U.S. Department of Education grants. Out of the \$5,000 allocated last year, approximately \$2,000 was expended. The \$5,000 requested this year would allow for a maximum of three interns at any one time and fully cover the Agency's share of student salaries.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-86 BE ADOPTED.

Mr. Lee arrived at this time, 4:10 p.m.

- (b) Resolution No. 161-86 requests authorization of a First Amendatory Agreement, which extends the Performance Schedule by six months, to the LDA with Third Street Gateway Associates for Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center.

Mr. Hamilton reported on item (b) as follows. In May 1985, an LDA was authorized for the construction of a three story office building with ninety-one parking spaces. Since approval of the Preliminary Construction Documents in November, 1985, the developer has been actively seeking tenants for the office building and also proposed a fast track schedule to obtain a building permit. However, no firm tenant commitment has been secured, resulting in the withdrawal of the lender's



NEW BUSINESS (continued)

conditional loan commitment and financing will, therefore, not be in place by the required June 5th date. The developer requested a one year extension to continue marketing efforts. However, given the current office building market, staff considers a six month extension to be more appropriate, with the developer to provide a status report after ninety days, at which time staff will evaluate the need for an additional extension. The revised performance schedule calls for submission of evidence of financing by December 11, 1986 and conveyance of the site by January 7, 1987.

Mr. Benjamin James of Third Street Gateway introduced his associates, Dr. Coleman and Mr. Fred Cadham.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-86 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in granting an Exception to Bulk Limits on portions of Central Block 1 Yerba Buena Center.

President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 162-86 requests in authorization to Grant an Exception to the Bulk Limits for the Hotel on CB-1 Assessor's Block 3706 in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows: This will allow an exception to the maximum length of 320 feet and a maximum diagonal of 350 feet at the 16th and 17th levels of the hotel to be developed by YBG Associates. In October 1984, a Disposition and Development Agreement (DDA), providing for the construction of a 1,500-room hotel with meeting rooms underground on CB-2 was authorized with YBG Associates. At the same time, an Exception to the bulk limits was granted allowing the maximum bulk for the hotel above 150 feet to be a maximum length of 320 feet and for a maximum diagonal of 350 feet. Approval in January 1986 of the Preliminary Construction Documents (PCD's) was conditioned upon compliance with the Exception approved in October 1984. However, the PCD's show this exception to be exceeded at the 16th and 17th floors in its maximum length by 27'-2" and its maximum diagonal by 5'-5". This design was developed in consultation with the Agency's architectural staff and consultants and is the result of an extended period of design development refining the hotel structure to meet the high standards of design and function required in the DDA. Without this Exception, major modifications would be required including removal of two lanterns just above the bulk limit line of 150 feet which would result in a loss of eight hotel guest rooms which, to recapture, could involve a re-analysis of the hotel design.



NEW BUSINESS (continued)

Following further review, since approval of the PCD's, it has been concluded that in order to maintain the design integrity and operational aspects of the hotel, a Plan Exception to modify the bulk limits at the 16th and 17th levels is appropriate and desirable. In accordance with Agency policy, a hearing has been calendared and written notice provided to owners of property within 300 feet of the hotel building site on CB-1 and CB-2. The Redevelopment Plan has no bulk requirements or limitations and staff has concluded that if the City Planning Code bulk limitations in effect at the time of the 1979 Plan Amendment were determined to be part of the Plan, and applicable to the proposed hotel development, then an exception would be required. The proposed resolution states all of the required reasons and findings for the exception and is conditioned upon any remaining design concerns being satisfactorily addressed. Staff considers that the hotel design is consistent with the general purposes and intent of the Plan and will result in a distinguished architectural expression.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Arnelle requested a further explanation from Mr. Edmund Ong, Chief of Architecture. In response, Mr. Ong further described the Exception to the bulk limits of the hotel.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-86 BE ADOPTED.

- (d) Resolution No. 163-86 requests authorization to Amend the Contract with Maki & Associates, in connection with Yerba Buena Center.
- (e) Resolution No. 164-86 requests authorization to Amend the Contract with Mitchell/Giurgola, in connection with Yerba Buena Center.
- (f) Resolution No. 165-86 requests authorization to Amend the Contract with James Stewart Polshek and Partners, in connection with Yerba Buena Center.

Mr. Hamilton reported that all three items are Amendments to Personal Services Contracts with architectural firms for further analysis of the proposed expansion of the Moscone Convention Center under Central Block 2 in Yerba Buena Center. Authorization is requested to expend an amount up to \$120,000 for this work and authorization for the Executive Director to allocate the amounts on an as-needed basis. The architectural consultants have identified and evaluated the physical impacts of the proposed expansion of the Convention Center by HOK and



NEW BUSINESS (continued)

it has become apparent that it is critical for the architects to develop alternate design suggestions for the proposed expansion to mitigate the impacts on the Gardens program. In order to identify potential costs, it will be also necessary for the consultants to work with the Agency's Cost Estimating Consultants. Other consultants, such as Peter Adamson and ERA, will be necessary to this process and amendments for their contracts will be calendared at a future date. These are amounting and accruing expenses, which will be part of those that the Chief Administrative Officer has been alerted will become a City expense in this restudy effort. The information that will be provided by these evaluations is considered to be essential to allow the Commission and the Mayor to make an informed decision on the expansion proposal. Payment will be at the specified contract hourly rate, based upon the number of hours actually worked and will also include payment of certain expenses to be reimbursed at actual cost as well as subsistence expenses while in San Francisco. Funds are available and the proposed Contract Amendments will not exceed a total amount of \$120,000. Ms. Berk noted that the amounts shown in the resolutions for the individual architects did not correspond to the \$120,000 being requested. David Oster, Assistant Agency Counsel, explained that there is a typographical error in the resolutions and each resolution should show the amount of \$30,000 to be allocated by the Executive Director through future amendments as deemed necessary.

Ms. Berk inquired to what extent the expenses would be borne by the City. Mr. Hamilton replied that the City had been informed in writing that the Agency expects to be reimbursed for all of these costs.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-86 BE ADOPTED.

Mr. Commons arrived at this time, 4:25 p.m.

- (g) Resolution No. 166-86 requests authorization to purchase a \$400,000 excess automobile liability policy, which raises the total limits to \$1 million, from Penn Colonial Insurance Company for a premium of \$7,250.



NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows: On April 22, 1986 payment of \$46,516 was authorized for a \$600,000 automobile liability policy to be effective on April 20, 1986, which was the maximum the insurance company would issue. The amended CDBG Agreement with the City requires the Agency to use its best efforts to satisfy the Agreement's \$1 million automobile and general liability requirements, subject to the availability of such insurance on the open market at a reasonable cost.

Two quotes for a \$400,000 excess liability policy to overlie the \$600,000 base policy have been obtained, with the lowest being from Penn Colonial which meets all the requirements of the CDBG Agreement. The coverage will be effective immediately upon placement of the order through the termination of the base policy on April 20, 1987.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-86 BE ADOPTED.

MR. Mardikian left the meeting at this time, 4:30 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 167-86 requests authorization to expend \$13,216.65 which includes taxes, to purchase a new automobile and pay excess Mileage Charges under a previous automobile lease agreement.

Mr. Hamilton reported on item (a) as follows. In June 1983, a thirty-six month lease agreement was authorized with Leslie Leasing for a 1983 Chevrolet Caprice to be assigned to the Executive Director.

Under the terms of this agreement, the vehicle is turned in at the end of the lease term and the only additional charges due at that time are those related to any physical or mechanical damage or for any excess mileage charges beyond the usage projected in the lease. It is anticipated that the only additional charge will be for excess mileage which should not exceed \$1,200. To replace this vehicle, it is proposed to purchase a 1986 Chevrolet Celebrity, which is a more fuel efficient model, from Ellis Brooks Chevrolet of San Francisco. The price has been reduced from \$14,850 to \$12,410. This outright purchase, for which funds are available in the current budget, is more advantageous when considering the finance charges associated with lease or term purchase agreements.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-86 BE ADOPTED.



MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Resolution No. 168-86 requests ratification of the action of the Executive Director in Changing the Permit to Enter Agreement with the Juneteenth Festival Committee for the use of the Agency-owned Parcels 707-A and 750 in the Western Addition A-2.

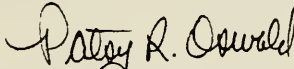
Mr. Hamilton reported on item (b) as follows: Since authorization of this Agreement in April 1986, the Festival Committee has determined that the Sierra Shows will need two additional days to set-up the carnival rides and has requested that the initial date of occupancy be changed from June 4 to June 2, 1986 for the use of the subject parcel. The Festival Committee and the Sierra Carnival has provided the Agency with the necessary insurance requirements.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-86 BE ADOPTED.

ADJOURNMENT:

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

July 15, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY  
OF SAN FRANCISCO HELD ON THE  
10TH DAY OF JUNE 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of June, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle (arrived 4:15 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Dr. Rhody A. McCoy, Future Perfect/R & M Associates; Richard and Irene Lieberman; Ocie Rogers; Elsie Collins; Gordon Jackson, On Call, Inc.; Steve Albert, Forest City Dillon; David Rumsey, General Atlantic; Hank Baker, Bayside Village Associates; Chuck Treveson, Fisher Friedman Associates; Reverend Hubbard and Messrs. Reece and Stewart, WASCC; Sanford Hirshen (Architect) and Bill Rumpf, CSS; Kathy Hewell, Independent Living Resource Center; Mr. Nakamura (Architect), BUCHANAN/BUSH.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of May 13, 1986, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 169-86 requests authorization of Exclusive Negotiations, until September 10, 1986, with On Call, Inc. and Force, Ltd. for the development of the Hunters Point School II Site near the southeasterly corner of Ingalls Street and Kiska Road adjacent to Hunters Point.



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and the following was absent:

H. Jesse Arnelle (arrived 4:15 p.m.)

The President declared a quorum present.

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Also present were: Dr. Rhody A. McCoy, Future Perfect/R & M Associates; Richard and Irene Lieberman; Ocie Rogers; Elsie Collins; Gordon Jackson, On Call, Inc.; Steve Albert, Forest City Dillon; David Rumsey, General Atlantic; Hank Baker, Bayside Village Associates; Chuck Treveson, Fisher Friedman Associates; Reverend Hubbard and Messrs. Reece and Stewart, WASCC; Sandford Hirshen (Architect) and Bill Rumpf, CSS; Kathy Hewell, Independent Living Resource Center; Mr. Nakamura (Architect), BUCHANAN/BUSH.

#### APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of May 13, 1986, as distributed by mail to the Commissioners, be approved.

#### NEW BUSINESS

- (a) Resolution No. 169-86 requests authorization of Exclusive Negotiations, until September 10, 1986, with On Call, Inc. and Force, Ltd. for the development of the Hunters Point School II Site near the southeasterly corner of Ingalls Street and Kiska Road adjacent to Hunters Point.

NEW BUSINESS (continued)

- (b) Resolution 170-86 requests Support of the Preparation and Submission of an Urban Development Action Grant (UDAG) for the Hunters Point Plaza Project.

Mr. Hamilton reported on items (a) and (b) as follows. This joint venture proposes to develop a small commercial shopping complex on a 2.57 acre parcel for which the Agency intends to exercise its option to purchase from the San Francisco Unified School District to facilitate the development. In 1985, exclusive negotiations were authorized with Bayview Plaza Development, which included EMBY Foods and On Call, Inc. EMBY, which has six supermarkets in the East Bay, has withdrawn as the co-developer because of prior commitments but has agreed to remain the anchor tenant, resulting in the participation in the joint venture by Force, Ltd. The sole owner of On Call is Mr. Gordon Jackson, A.I.A., who will act as Project Coordinator, has had over twenty-three years in the architectural profession, covering HUD projects, elderly housing, professional office buildings, banks, schools and institutional buildings. Mr. David Sowles, President of Force, Ltd., a real estate company located in Oakland, California, has been in the real estate field for sixteen years and during the past five years has been actively engaged in the development of hotels, commercial and apartment buildings. Raymond T. Chester, Vice President of Force, Ltd., gained retailing and business experience while owning and supervising operations in liquor and delicatessen stores in Oakland, as well as being the general partner of varied commercial and multi-family real estate syndications. The possibility of obtaining a UDAG through the Mayor's Office of Housing and Economic Development (MOHED) is being explored. The application for the next round of UDAG funds is July 31, with actual awards to be made on October 1, 1986. The application will require demonstration of site control which may be evidenced by the Agency's exclusive negotiations with the developer and the option to purchase the site from the School District. It is proposed to finance this \$5 million project with developer equity of \$500,000; a private loan commitment of \$4 million; and a \$500,000 UDAG. It is anticipated that HUD will propose the Agency defer its receipt of land proceeds to enable the development to be accomplished with a smaller advance of UDAG dollars than would otherwise be required. Should this occur, the extent of the Agency's participation will be brought before the Commission with relevant information pertaining to the collateral effects upon the Agency budget and consistency with land disposition policies, as well as the transaction itself. Prior to acceptance of a UDAG, MOHED has agreed that a contract between the City and the Agency will be entered into for the administration of the grant.

Mr. Arnette arrived at this time, 4:15 p.m.

NEW BUSINESS (continued)

Mr. Lee inquired if any other tenants, other than EMBY, were committed to the project. Mr. Gordon Jackson indicated that, since they were uncertain of their financing, to date not a great deal of effort had been made to secure more tenants; however, two letters of intent had been received.

Mr. Commons inquired if the project is dependent upon a UDAG being granted and Mr. Jackson replied that UDAG funding is necessary to ensure the success of the project.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-86 BE ADOPTED.

- (c) Resolution No. 171-86 requests authorization to extend the Schedule of Performance with YBG Associates by thirty days for Phase 1 (the hotel) and an additional extension of up to thirty days for Phase 2, the other Central Blocks uses in Yerba Buena Center.

Mr. Hamilton reported on item (c) as follows. The extension would apply to both the Agency and the Developer and would extend all Phase 1 and Phase 2 dates in the Schedule of Performance including design, conveyance, and construction start and completion. The delay is to permit additional time for the Mayor's Task Force that is studying the proposed expansion of the Convention Center to complete certain reports and analyses being prepared for the Commission and Mayor's consideration. The delay for conveyance of the hotel is to enable YBG Associates to complete the evaluation of and reach agreement on the configuration of the hotel subsurface parcel in CB-2 as impacted by the proposed Moscone expansion and to complete necessary documentation for the closing and conveyance of the hotel. It is anticipated that the hotel can be conveyed within thirty days from the present scheduled date of June 19.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-86 BE ADOPTED.

- (d) Resolution No. 172-86 requests authorization to terminate Exclusive Negotiations with the Western Addition Senior Citizen's Center, Inc. (WASCC) for Parcel 780-H located at the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.
- (e) Resolution No. 173-86 requests authorization of Exclusive Negotiations, until December 10, 1986, with WASCC for Parcel 779-B located on the south side of McAllister between Fillmore and Steiner Streets in the Western Addition A-2.
- (f) Resolution No. 174-86 requests authorization of Exclusive Negotiations, until September 10, 1986, with Catholic Social Services, Inc. (CCS) for Parcel 780-H located at the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on items (d), (e) and (f) as follows. In September 1985, exclusive negotiations were authorized with WASCC for the construction of a senior citizen's center. Since then, \$250,000 has been allocated by the Commission on Aging, \$150,000 by the Mayor's Office of Community Development (OCD) and \$100,000 from other sources to cover the estimated \$1.3 million cost. In January 1986, a six month extension was approved to allow additional time to raise construction funds. WASCC now indicates, following a closer look at their proposed development, that the parcel is too small to accommodate the program and expressed an interest in developing the northern portions of two different parcels, which staff also considers suitable for their proposal. The southern portion of the parcel is considered to be more appropriate for housing and WASCC has considered a joint venture with a housing developer which they feel would expedite construction of the senior center and perhaps permit development of the entire site. However, to date, the Agency has not received a formal proposal. CSS received a non-site specific Section 202 Fund Reservation from HUD and contacted the Agency seeking assistance in locating a site to construct twenty-five units of housing for the physically handicapped. Under the present terms of the fund reservation, construction of the units must be commenced by March 1987, however, it is understood that an extension to that start date is possible. Staff suggested that CSS consider the parcel to be relinquished by WASCC for their proposed development, which is considered to be highly desirable. However, it should be noted that Commission approval may be needed for density and parking variances, since the proposed design of eighteen one-bedroom and seven studio apartments exceeds the density limit for the site by six Agency rooms or approximately 10 percent. In addition, it is proposed to provide one parking space for every two units based on HUD guidelines for handicapped housing on which subject the A-2 Redevelopment Plan is silent. Staff will investigate to determine if a variance is required. Staff is also investigating the developer's request to write-off the land price because of the long-term, low-income use.

Mr. Gene Suttle, Project Director, Western Addition A-2, introduced the Reverend Fred Hubbard, Executive Director, WASCC, and Messrs. Reece and Stewart of the Board and Building Committee. He also introduced Mr. Sandford Hirshen, Architect, CSS.

Mr. Bill Rumpf, Director of Housing Development, CSS, introduced other supporters of Serra House and gave the background of the organization and past achievements. He also stressed the suitability of the site for the proposed development.

Ms. Kathy Hewell, Executive Director, Independent Living Resource Center, spoke regarding the physically disabled and emphasized the need for affordable accessible housing for the handicapped.

NEW BUSINESS (continued)

Mr. Newman indicated that the design should conform to City code to avoid the need for variances. Mr. Rumpf indicated that HUD funding is available for twenty-five units, but the density formula of the Redevelopment Plan only permits twenty-three units. Mr. Newman further inquired if the size of the proposed building is in conformity with City code. Mr. Hamilton explained that the size of the building is within City code, but it does exceed the room count in the Redevelopment Plan, which looks at rooms in counting density rather than volume. This is the way the Plan is written and that is why it is suggested from time to time that variances be considered.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-86 BE ADOPTED.

- (g) Resolution No. 175-86 requests authorization of a Fifth Amendatory Agreement, which extends the completion of construction of improvements date to September 9, 1987, to the LDA with Irene Lieberman for Parcel 689-B located at the northeast corner of Gough and Post Streets in the Western Addition A-2.

Mr. Hamilton reported on item (g) as follows. In December 1982, an LDA was authorized with the developer to construct a park for the use of the elderly residents of the Broadmoor Hotel on Sutter Street. Subsequently, in July 1985, a request from Mrs. Lieberman was granted to move office space from the lobby of the hotel, in order to restore it for tenant use, into an area under the park, which had been initially approved for use as a storage area. Although the park has been completed, the office space below has not. Mrs. Lieberman does not have the resources to complete the work at this time and has requested an extension.

In response to questions from the Commission, Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that the park is completed and is now in use, but that the office space has not been completed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-86 BE ADOPTED.

- (h) Resolution No. 176-86 requests authorization of a First Amendatory Agreement, which extends the Performance Schedule by ninety days, to the Addendum with the Nihonmachi Community Development Corporation in connection with the development by BUCHANAN/BUSH of Parcel 676-A located on the southwest corner of Buchanan and Bush Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (h) as follows. Although a building permit was applied for on December 6, 1985, for the construction of a four-story building containing eighteen market rate condominiums, it has still not been issued and, therefore, financing cannot be finalized. It is proposed to revise the performance schedule to extend submission of evidence of financing from June 18 to August 20, 1986 and conveyance of the site from July 16 to September 17, 1986.

Mr. Lee inquired about the delay in issuing a building permit. Mr. Nakamura, Architect for the Development, indicated that the Building Department had lost the specifications originally submitted. The plans had now been re-submitted and it was hoped the permit would be issued within a month. Mr. Lee suggested that the status of the permit be checked on periodically.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-86 BE ADOPTED.

- (i) Resolution No. 177-86 requests Conditional Approval of the Schematic Drawings for Western Commercial Partnership I's (WCP) development of Parcel 708-B located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Hamilton reported on item (i) as follows. In November 1985, an LDA was authorized for the development of 156 residential units and 50,000 square feet of office and commercial space. At the same time, the basic concept design was also approved. Although the design was subsequently altered whereby a major portion of the office use on the second level was eliminated and sixteen residential units were relocated from the second floor into the tower building, the number of residential units remain unchanged. It is proposed to lease the second level as retail commercial space which has been increased by 10,000 square feet to the 60,000 square feet permitted in the LDA. Following review of the schematic drawings and architectural model, Agency staff and design consultants consider the basic design of the project, if properly developed, to be acceptable, and believe design concerns can be satisfactorily addressed during the Preliminary Construction Phase.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns, which it is considered can be satisfactorily addressed during the Preliminary Construction Document Phase.

Mr. Commons noted that there are a number of significant basic design concerns, and inquired if the developer is as confident as staff that they can be resolved. Mr. Nicholas Dempsey, Consultant for the Developer, indicated that solutions to the problems do exist and he felt they could be satisfactorily resolved by the developer's architect and staff.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-86 BE ADOPTED.

- (j) Resolution No. 178-86 requests Conditional Approval of the Schematic Drawings for Bayside Village Associates' development on Block 3773, Lots 2, 3 and 4, bounded by First, Brannan, Beale and Bryant Streets in Rincon Point-South Beach.

Mr. Hamilton reported on item (j) as follows. In November 1985, an Owner Participation Agreement (OPA) and the Concept Design for the construction of approximately 850 rental units and 16,000 gross square feet of ground floor neighborhood commercial space, were both conditionally approved. Three phases, each separated by approximately eight months, are anticipated: Phases I and II will consist of approximately 280 units, a recreation building and approximately 8,000 gross square feet of neighborhood serving commercial; Phase III will consist of approximately 295 units and a health club for use by the residents only. Parking will be provided for the units on a one-to-one basis with ingress and egress from the parking structures being provided from the bounding streets as well as from a new interior street. Public pedestrian access will be permitted on this interior street as well as on the diagonal walkway that links the intersection of the Embarcadero and Beale and Brannan Streets to the major open space that is centrally located along this interior street. Access into other residential open spaces will be controlled. There are a number of design concerns that it is considered can be satisfactorily addressed during the Preliminary Construction Document Phase, with special attention being paid to the present lack of variation between the building groups.

Mr. Hamilton noted the presence at the meeting of Mr. Steve Albert, Forest City Dillon; Mr. David Rumsey, General Atlantic; Mr. Hank Baker, Bayside Village Associates; and Mr. Chuck Treveson, Fisher Friedman Associates.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns, which it is considered can be satisfactorily addressed during the Preliminary Construction Document Phase.

Mr. Mardikian stressed the need for more diversity as the development appears to be essentially all the same.

Mr. Arnelle noted that he concurred with Mr. Mardikian's comments and he too found the design to be too repetitious.

Mr. Ong said he understood the Commissioner's concerns; however, he believed that the end result would be a variety in building design that will be satisfactory to all concerned.

Mr. Steve Albert, Project Manager, responded to the concerns expressed by the Commission and said he believed that they could be satisfactorily addressed during the Preliminary Construction Document Phase.

NEW BUSINESS (continued)

Mr. Mardikian said he was anxious to see the Rincon Point-South Beach project go forward and had expressed his disappointment with the design. He indicated he would move conditional approval, but hoped this aspect would be impressed upon the developer and his architect so the end result will respond more closely to staff and Commission concerns.

Ms. Berk and Mr. Newman indicated that they supported Mr. Mardikian's comments.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-86 BE ADOPTED.

- (k) Resolution No. 179-86 requests authorization to make a payment of \$2,420 to the City and County of San Francisco for property tax information provided by the Office of the Assessor.

Mr. Hamilton reported on item (k) as follows. In March 1986, a contract was entered into with the financial consulting firm of Katz Hollis Coren & Associates, Inc. to provide services related to amending the existing redevelopment project plans to establish tax increment limits and tax allocation bond limits for the Golden Gateway, India Basin Industrial Park, Hunters Point and the Western Addition A-2 projects. Certain property tax information required by the contract to be provided by the Agency to the contractor, involved efforts by the Office of the Assessor of the City and County of San Francisco.

Ms. Berk left the meeting at this time, 5:20 p.m.

Mr. Commons indicted that it was a bad precedent for the Agency to be paying for these City services. Mr. Hamilton said he concurred with Mr. Commons' viewpoint; however, it is not precedent setting. Under the Cooperation Agreement with the City, the Agency should get this information without charge, but historically this has not been the case.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, WITH MR. ARNELLE AND MR. COMMONS DISSENTING, THAT RESOLUTION NO. 179-86 BE ADOPTED.

- (l) Resolution No. 180-86 requests authorization to establish Agency Position Classifications and Rates of Pay effective July 1, 1986 through June 30, 1987.

Mr. Hamilton reported on item (l) as follows. The proposed salary schedules represent rates based upon previously established comparability, either by internal Agency salary relationships or by direct comparables with related City and County classifications. Although City and County employees have been approved increases averaging 5.5 percent, and the Agency's proposed rates average 6.1 percent, this difference is the result of the different mix of

NEW BUSINESS (continued)

employees in classifications and the differing pay increase granted the various City benchmark jobs. As is normal, the salary proposals were made available to staff for their comments and for them to request consideration of salary levels and/or comparables. A request, which is considered to have merit, has been received from Patsy Oswald to change her title from Senior Administrative Assistant to a title more descriptive of her position as Agency Secretary and reclassification to reflect its attendant responsibilities. Following a comparison with similar positions in other City Departments, a recommendation will be made to the Commission. A similar request has been received from the Executive Secretary to the Executive Director, and that also will be under review. Since the departure of Harold Bell, Deputy Executive Director, Finance & Administration, about a year ago, Mr. Earl Mills has handled general administrative responsibilities and it is therefore proposed to change the title of Deputy Executive Director, Community Services, to Deputy Executive Director, Community Services and Administration, with no change in compensation. Through Mr. James Nybakken, Administrative Services Officer, he has responsibility for all personnel, employee relations, insurance/risk management, central records and other administrative support services. Certain changes were recently made by the City for secretarial classifications which will be the subject of a detailed study to be conducted over the next several months, involving secretarial staff and Local 790. Following completion of this process, recommendations regarding classification changes will be made to the Commission. The U.S. Supreme Court has ruled that the Federal Fair Labor Standards Act (FLSA), which previously applied only to the private sector, now also applies to State and local government employees and certain amendments, subsequently approved by Congress, have become effective. Since the FLSA now requires payment of overtime for all classifications except those that meet the FLSA definitions of professional, administrative or executive, it is proposed that the positions of: Rehabilitation Counselor, Construction Inspector, Architectural Draftsperson, Draftsperson, Civil Engineering Associate, Principal Legal Stenographer, Engineering Aide II, Administrative Assistant I and Engineering Aide I, be changed from compensatory time to paid overtime effective July 1, 1986. However, employees normally eligible for paid overtime are permitted by the FLSA, the two Union Agreements, and by the administrative provisions of the new salary resolution to make an individual request which, after approval of the Executive Director, would allow the employee to accumulate up to 120 hours of compensatory time. When the 120 hour limit is reached, the employee would receive overtime pay until reduced by compensatory time off. Staff considers that proposed salary adjustments are appropriate and necessary in order to maintain competitive salaries.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-86 BE ADOPTED.

Mr. Newman left the meeting at this time, 5:26 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 181-86 requests authorization for the Executive Director to Approve the Issuance of Purchase Orders in amounts not to exceed \$5,000 to cover certain Litigation costs in connection with all Project Areas.

Mr. Hamilton reported on item (a) as follows. Present Agency policy requires Commission approval for issuance of purchase orders exceeding \$1,000. The need has arisen from time to time to make payments exceeding \$1,000 on an expedited basis in connection with various litigation costs. It is, therefore, proposed that the Executive Director be given the authority to issue purchase orders exceeding \$1,000 but not exceeding \$5,000 solely for this purpose.

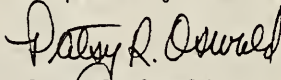
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9 (a). The names of the cases are Redevelopment Agency of the City and County of San Francisco v. Maurice Pittman; Redevelopment Agency of the City and County of San Francisco v. Bill Patton; Redevelopment Agency of the City and County of San Francisco v. Walter Springer; Redevelopment Agency of the City and County of San Francisco v. Joe Rudolph; and Redevelopment Agency of the City and County of San Francisco v. Donald Bryant.

ADJOURNMENT:

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

July 22, 1986

186

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
17TH DAY OF JUNE 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of June, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

DOCUMENTS DEPT.

and the following was absent:

H. Jesse Arnelle

JUL 28 1986

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Assignment of Interest for Parcel 714-A(2) in the Western Addition A-2.

Resolution No. 182-86 requests authorization to Assign, Transfer all Right, Title, and Interest in the LDA, as amended by a First Amendatory Agreement, from U.F. Service Corporation to Morris Bernstein for the parcel located at the northwest corner of Myrtle Street and Van Ness Avenue in the Western Addition A-2.

- (b) Public Hearing to hear all persons interested in an Amended Land Disposition Agreement for Parcel 714-A(2) in the Western Addition A-2.

Resolution No. 183-86 requests authorization of an Amended LDA with Morris Bernstein for the parcel located at the northwest corner of Myrtle Street and Van Ness Avenue in the Western Addition A-2.

President King opened the Public Hearings to hear all persons interested in these matters.

Mr. Hamilton reported on items (a) and (b) as follows. In September 1984 an LDA was entered into with U.F. Service Corporation, a wholly owned subsidiary of United Bank, and also representing the interests of Morris Bernstein and Donald Sweet, to construct a mixed use development of residential condominiums above retail commercial.



NEW BUSINESS (continued)

Based upon an analysis by Ramseyer, Zerbst & Company, U.F. Service has determined that the proposed development is not financially feasible with the residential use included and an evaluation by Keyser Marston & Associates, Inc. has confirmed to staff that this determination is valid. U.F. Service therefore now desires to assign the existing LDA to Morris Bernstein who proposes to construct a commercial development with office and ground floor retail space only. This 12,352.5 square foot parcel is located in a high density general commercial use land district which permits retail stores and business and professional offices. Evidence of financial capacity to undertake the project has been provided and, rather than tailoring the existing LDA to Mr. Bernstein's proposal, staff considers it to be more appropriate to enter into an Amended LDA which will contain new provisions relating to: the Agency's Labor Standards; updated Affirmative Action requirements; an updated disposition price of \$926,500; business occupancy priority for certificate holders; a new performance schedule calling for submission of evidence of financing by November 18 and conveyance of the site by December 16, 1987; and provisions regarding pending litigation relating to the subject parcel. It should be noted that a lawsuit is pending with Donald B. Gordon with whom an LDA was authorized in February 1980. Following two extensions to the performance schedule, the LDA was terminated when he failed to meet the preconveyance requirements. Language has been inserted into the proposed Amended LDA providing that: should Mr. Bernstein and his lender so choose, title may be taken subject to the lawsuit; in the event Mr. Gordon prevails or eighteen months elapses from the effective date of the Amended LDA, whichever occurs first, it would be automatically terminated and Mr. Bernstein would be entitled to return of his deposit with no other remedies.

Leo Borregard, Agency General Counsel, indicated some changes had been made in the LDA Amendment referred to in the published notice. They are essentially clarifying changes, except for the Agency labor standards and occupancy priorities which have been inserted as Sections 9.05 and 9.06, respectively.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-86 BE ADOPTED.

- (c) Resolution No. 184-86 requests authorization of a First Amendatory Agreement to the LDA with Michael and Jeanne O'Mahoney and Jeremiah and Sheila O'Sullivan for Parcel 1100-A located on the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2.



NEW BUSINESS (continued)

Mr. Hamilton reported on item (c) as follows. In July 1985 an LDA was authorized for the construction of ten market rate condominiums. Satisfactory Preliminary and Final Construction Documents were submitted and a building permit has been issued. However, unexpected delays have been encountered in the processing of the construction loan by the Bank of America, resulting in the requested extension. The revised performance schedule extends the date for submission of evidence of financing from May 14 to August 13 and conveyance of the site from June 18 to September 17, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-86 BE ADOPTED.

- (d) Resolution No. 185-86 requests authorization of a First Amendatory Agreement, which confirms the actual permitted use, to the LDA with the Bay Area Quality Management District (BAAQMD) for the Parcel 738-A (Lot 19, Assessor's Block 738) located on the south side of Ellis Street between Van Ness Avenue and Franklin Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In 1967 BAAQMD presented a proposal for the property it owned at 939 Ellis Street in conjunction with a parcel it proposed to acquire from the Agency. The same year, construction commenced on the first phase of this development program which consists of a six story building with a two level parking garage. The Agency presently occupies the second, third and fourth floors of the first phase building together with one level of parking. The second phase contemplated a six story building addition with a two level parking garage. The LDA provided that, on an interim basis, the Agency-owned parcel could be used in conjunction with the existing office building. Without an LDA amendment, but with obvious Agency consent, in 1976 BAAQMD proceeded with the construction of two of the six floors of office space and two levels of parking on the parcel it purchased from the Agency in 1971. The total development includes 54,000 square feet of net occupied floor area of office space and fifty-four parking spaces required by the pre-1970 A-2 Redevelopment Plan. In April 1986 an off-street parking variance, if needed, was approved to the post-1970 Plan requirement. Since it is intended to complete the 1967 development program by adding the additional four floors of 18,000 square feet of office space, principally to alleviate the existing crowded conditions, it is desired to amend the LDA to confirm the permitted use. Also, the only substantive LDA change that has occurred since the June 12, 1986 memorandum to the Commission is the substitution of the District's MBE/WBE program for the Agency's program with regard to the construction contract. For the anticipated building contract of approximately \$2 million, the Agency's program would require an overall MBE/WBE goal of approximately 23 percent. The District's program, which has been



meticulously worked out with its Board representing nine counties, requires goals of 20 percent MBE and 10 percent WBE. This WBE goal is particularly difficult to attain in construction and the District staff has agreed to work closely with the Agency's affirmative action staff to effect as much success as possible.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-86 BE ADOPTED.

- (e) Resolution No. 186-86 requests authorization to extend Exclusive Negotiations, until September 10, 1986, with the Delancey Street Foundation, Inc. for Site J located in the block bounded by First and Brannan Streets and the Embarcadero in Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. In August 1985 exclusive negotiations were approved for the construction of 177 dwelling units and the development of 56,000 square feet of commercial space. These negotiations were subsequently extended from December 1985 to March 1986 and then to June 18, 1986. During this period schematic designs and financial evidence have been submitted. However, further evidence will need to be submitted which reflects the terms of the proposed development sublease. Although satisfactory progress has been made in the preliminary negotiations for the development sublease, a delay was incurred involving further research when a problem, now resolved, was encountered regarding the proposed lender protection language and the need for very low income housing. In addition, negotiations between the Port and the State Attorney General's Office concerning the use of Port land for housing and a City decision regarding the Embarcadero right-of-way width have not yet been completed. These items should not hold up negotiations but, if not concluded shortly, could result in a delay in the design and development process by the developer. It is believed that the proposed three month extension will provide sufficient time to conclude negotiations, following which Commission approval will be sought of an agreement to enter into a development sublease, and of subsequent design approvals. This request is considered to be reasonable, since failure to conclude negotiations by June 18, 1986 has been caused by circumstances beyond control of the developer.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-86 BE ADOPTED.

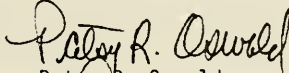
President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco.



ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald  
Agency Secretary

APPROVED

July 15, 1986



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
24TH DAY OF JUNE 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of June, 1986, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

and the following were absent:

Leroy King, President  
H. Jesse Arnelle (arrived at 4:05 p.m.)

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Reverend McCall and Mrs. Means, Concord Missionary Baptist Church; Gordon Jackson; Ocie Rogers.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried, that the minutes of the Regular Meeting of April 1, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried, that the minutes of the Regular Meeting of April 8, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried, that the minutes of the Regular Meeting of April 22, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried, that the minutes of the Regular Meeting of May 20, 1986, as distributed by mail to the Commissioners, be approved.

## REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) In addition to briefing and touring a delegation from San Francisco's Sister City, Cork, Ireland, last week, on June 25th a top ranking delegation from the Soviet Union and U.S. State Department Officials will be briefed. Following the briefing, Patricia Feinsilver, Community Information Specialist, will take the group on a tour of Redevelopment Project areas.

Mr. Arnelle arrived at this time, 4:05 p.m.

## REPORT OF THE PRESIDENT

Mr. Newman announced that Mr. Commons would report on a meeting held with Arthur D. Little, Inc. Mr. Commons reported that, together with Mr. Newman, he had met with representatives of the company to discuss the possibility of their acting for the Agency in terms of developing a long range vision of the Agency and how it should fit into the City. The firm had expressed a great deal of interest and agreed within a week to prepare a draft proposal which, if found acceptable, would be followed by a formal proposal to the Commission. A preliminary indication of costs has been requested and it is anticipated a report will be made at the next meeting with regard to this proposal.

## NEW BUSINESS

- (a) Resolution No. 187-86 requests authorization of Exclusive Negotiations, until October 24, 1986, with the Concord Missionary Baptist Church for Parcel EE-1 located on the northerly side of Whitney Young Circle near Newcomb Avenue in Hunters Point.

Mr. Hamilton reported on item (a) as follows. The developer proposes to construct a 500 to 700 seat church and, to date, a significant amount has been received in pledges. The present congregation consists of over 500 members with an anticipated membership of over 1000 within the next two years. The architect working with the church is Gordon Jackson, A.I.A.

The Reverend McCall, Concord Missionary Baptist Church, introduced the Church's Board of Trustees. He then addressed the Commission indicating that he felt the church would make a contribution to the community. To date, pledges of over \$100,000 have been received for the building fund.

Mrs. Means, Board Member, spoke in favor of the proposal and Ocie Mae Rogers spoke against it, noting that there is a greater need for housing than a church.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-86 BE CARRIED.

- (e) Resolution No. 191-86 requests authorization of a Letter Agreement, effective July 1, 1986 through June 30, 1987, with the Department of Public Works (DPW) for the continuation of Rehousing Inspection Services for all Project Areas.

Mr. Hamilton reported on item (e) as follows. Consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, City policy now requires that displaced persons be relocated to housing that meets all local City codes. Experienced environmental inspectors provide a thorough inspection of all potential rehousing units to ensure compliance with these codes. Funds for inspection services are budgeted on the basis of a percentage of the anticipated displacements; however, many of those displaced are assisted in obtaining subsidized housing not requiring inspections or dwellings found to be acceptable because of sufficiently recent inspections. A Letter Agreement in an amount of \$12,250, covering the period from July 1, 1983 to June 30, 1984, was subsequently extended to June 30, 1985 and then to June 30, 1986 because not all the funds had been expended. As of the end of May 1986 an amount of approximately \$2,600 remained unexpended; however, DPW no longer wishes to carry over any amounts remaining in the existing Letter Agreement and has requested issuance of a new Letter Agreement for the next fiscal year. Following discussions with DPW and a review of the past two years' inspections and projected displacements, for the fiscal year beginning July 1, 1986, it is estimated that eighty inspections will be requested by DPW, funding for which is not anticipated to exceed \$5,000.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-86 BE ADOPTED.

- (f) Resolution No. 192-86 requests authorization of a Letter Agreement, effective July 1, 1986 through July 1, 1987, in an amount not to exceed \$40,000 for Building Inspection Services in the Western Addition A-2 and Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. The applicable Redevelopment Plans require that the Agency perform property inspections for all structures proposed to be retained and rehabilitated. The combined knowledge of staff rehabilitation counselors and Bureau of Building Inspectors who perform these inspections assures a thorough property inspection and a reliable statement of anticipated rehabilitation costs. The Agreement provides for the services of a full time building inspector, one electrical inspector and one plumbing inspector. It is anticipated that the

NEW BUSINESS (continued)

building inspector will provide his services two full days a week and the services of the electrical and plumbing inspectors will be on an "as needed" basis. For several years a full-time building inspector has been assigned to the Agency's Rehabilitation Section to expedite the flow of rehabilitation production from reviewing drawings and permit applications to issuances of timely certificates of completion and occupancy. However, since the City's Building Department has now indicated that they will discontinue the assignment of a full-time inspector, the services of a part-time inspector on a two or three day a week assignment are currently being negotiated. It is proposed to allocate \$35,000 to the WA-2 and \$5,000 to YBC.

Mr. Mardikian inquired why the Building Department has decided not to supply a full-time inspector and if staff believed this would have an adverse effect. Mr. Hamilton indicated that there is a new administration at the Department of Public Works who wish to have more direct control over the time of the employees. However, staff considers that the situation can be dealt with.

Mr. Commons inquired why a full-time inspector was no longer required and if a part-time inspector could still get the job done. Mr. Demetrio Salvador, Chief, Engineering and Rehabilitation, indicated that because of a reduction in the workload a part-time inspector would be sufficient.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-86 BE CARRIED.

- (g) Resolution No. 193-86 requests authorization of a Contract with George Hills Company, Inc. for Claims Adjusting and Administrative Services.

Mr. Hamilton reported on item (g) as follows. The Agency's general liability insurance policy provides for a \$50,000 self-insured retention and also requires that the Agency retain a qualified claims adjuster to service any general liability claims that are filed against the Agency. In the past these services have been provided by adjustors retained directly by the insurance companies. However, considering the large self-insured retention, it is also in the Agency's best interest to obtain the services of a well-qualified claims adjustor. Upon evaluation of proposals submitted and following interviews with three qualified adjusting firms recommended by the Agency's Liability Insurance Broker and Risk Management Consultant, it is proposed to retain the George Hills Company. The firm has had thirty-two years of claims adjusting experience and its reporting systems are considered to be first rate. It also specializes in the public sector liability claims adjusting work and all of those contacted indicated that excellent service has been provided by the company to their jurisdictions. Over the past five years there has been an average of five general liability claims per year and, even assuming five to eight average claims within the next year, the total fee for the services should not exceed \$3,000, which is considered to

NEW BUSINESS (continued)

be reasonable. The upset amount of the contract would be set at \$7,000 which should provide sufficient funds to cover heavier losses than those experienced in recent years. In order to settle claims expeditiously, and as is normal in this type of claims adjusting contract, the contractor would have authority to settle a claim up to \$1,000 without prior approval of the Commission, which is identical to the authority currently granted the Executive Director to settle non-employee claims. The proposed insurance limits of the contract are \$1 million combined single limit for bodily injury, personal injury and property damage with errors and omissions coverage of \$1 million per occurrence. It is considered that these limits provide adequate protection to the Agency for the services to be performed under the Contract.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-86 BE ADOPTED.

- (h) Resolution No. 194-86 requests authorization to Accept a Proposal by the Joint Venture of KMG Main Hurdman and Izabel, Bernaciak and Yamamoto to audit the Agency's financial records for the Fiscal Years ending June 30, 1986, 1987 and 1988.

Mr. Hamilton reported on item (h) as follows. The consortium of Peat Marwick, Mitchell & Co., Morris, David & Co., and Chek Tan (PMM) has served as the Agency's independent auditors for the past two years at an annual cost of \$25,000. At the time of the award of the contract no attempt was made to solicit other proposals because the 1984 Single Audit Act, which contained new requirements, suggested that the Agency use the same auditors as the City to avoid possible duplication of auditing efforts due to inclusion of the Agency's financials in the City's Annual Financial Reports (CAFR). However, it was made clear at the time the contract was awarded to PMM that the Agency would entertain proposals from all interested public accounting firms upon expiration of the contract's two year remaining term. Although these new requirements have not impacted the Agency as originally anticipated, it is now required to restate its financials into a format compatible with the needs of the City's CAFR. In February 1986 the City requested proposals from interested public accounting firms to perform annual audits of the financial statements of its various reporting entities, including the Agency, and reference was made to the Agency's autonomy in selecting its auditors. Six responses to audit the Agency's financial records were received, including one which declined to bid and one that was not invited to bid since their letter of intent was not responsive to the requested proposal. Fees ranged from \$18,500 to \$25,000 for the first year and all proposals required fees to be re-negotiated for an additional two-year contract provided both parties mutually agree to continue the association. Following interviews with the members of the prospective teams, taking into consideration the anticipated service level, quality, relevant experience, the qualifications of the audit team assigned, management participation ratio and costs involved, staff is of the opinion that the joint venture of KGM Main Hurdman and its partner Izabel,

NEW BUSINESS (continued)

Bernaciak & Yamamoto best meets the selection criteria. Main Hurdman, which is the ninth largest accounting firm in the United States, has an impressive list of clients, including a number of governmental organizations and offers a high management participation. The firm employs 193 professionals in its San Francisco Bay Area offices, of which 49.7% are minorities and women. The work would be performed on a time and material basis at an annual cost not to exceed \$25,000.

Mr. Newman inquired why the low bid had not been accepted and Mr. Hamilton indicated that it was because of their low management participation.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-86 BE ADOPTED.

- (i) Mr. Hamilton reported that the purpose of this item is to provide the Commission with current information on the Agency's \$500,000 Employee Fidelity Bond which protects against losses due to fraudulent or dishonest actions of employees and a proposed \$500,000 Depositor's Forgery Insurance Policy. Since 1984, with renewal every three years, a Fidelity Bond has been obtained through the R. Carrie Agency and the most recent bond ran through June 23, 1986. However, the provisions of the existing bond agreement specify that the bond is continuous beyond that date unless written cancellation notice is given by Aetna Casualty and Surety Company, the insurer, in which case no less than thirty days notice can be given. Aetna has indicated that a renewal of the Fidelity Bond, slightly less favorable to the Agency, will be forthcoming but it will be several weeks before details on the deductible, coverages and premiums will be available for review. If the new bond is accepted by the Agency, the premium and coverage would be retroactive to June 23, 1986.

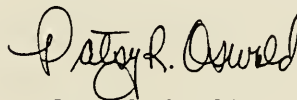
Assurances have been received that other bond markets are available for placement of the coverage in the event the Agency or Aetna decide to cancel the existing bond. The Agency currently does not have depositor's forgery insurance; however, its purchase has been recommended by the Risk Management Consultant for protection against loss caused by forgery or alteration of outgoing checks or other negotiable instruments. The purchase of this coverage for an amount equal to the liability limit for the fidelity bond removes the necessity to prove employee collusion and the Agency only needs to show that it sustained a loss due to a forged or altered instrument. No action is required at this time. If there are no objections it is intended to request R. Carrie Agency to pursue the Aetna coverage while, at the time, seeking bids from other carriers. When this is completed, Commission approval will be sought of the appropriate premiums for the selected coverage.

Acting President Newman indicated that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a), followed by a Closed Session on Personnel. The name of the litigation case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT:

It was moved by Mr. Commons, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation Personnel. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald  
Agency Secretary

APPROVED

August 5, 1986



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
1ST DAY OF JULY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle (arrived 4:15 p.m.)  
Melvin D. Lee (arrived 4:25 p.m.)

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Henry Lanier, First Boston Corp.; Tom Numainville, Housing Associates; Harry Overstreet, Gerson-Overstreet; Michael Stanton, Stanton & Associates; James H. Hartl and H. Christian Bense, B & H Development; Paul Park, Charles Collins, Western Development Group; Frank Fung, Architect, Western Commercial Partnership I; Ocie Rogers.

Representing the press was: Dan Borsuk, San Francisco Progress

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of May 20, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of May 23, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session of June 10, 1986, as distributed by mail to the Commissioners, be approved.

### APPROVAL OF MINUTES (continued)

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of June 17, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of April 15, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of April 29, 1986, as distributed by mail to the Commissioners, be approved.

### REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is on vacation and will return to the office July 14, 1986.
- (b) It is suggested that tonight's regular meeting be adjourned to July 7, 1986 at 10:30 a.m. in the fourth floor conference room at 939 Ellis Street for the purpose of conducting a workshop on the proposed expansion of the Moscone Convention Center in Yerba Buena Center.

### NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Lot 3, Site S-4, in Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 195-86 requests authorization of an LDA with Robert J. Primus for Lot 3 in Site S-4 located on Carpenter Court, off Whitney Young Circle in Hunters Point.

Mr. Kernan reported on item (a) as follows. In June 1981 an LDA was authorized with Mr. Primus. However, as was the case with many other Site S-4 developers, he was unable to obtain construction financing. In addition, the financial institution in which he had his funds closed and he was only able to recoup most of his money after special legislation by the California Legislature. Mr. Primus is one of the three developers who opted to secure his own financing and contractor to build a custom home. In April 1986 re-entry into exclusive negotiations was authorized until July 7, 1986. Since that time evidence of financing has been provided and issuance of a building permit is

NEW BUSINESS (continued)

imminent. Although the proposed conveyance date is October 1, 1986, Mr. Primus expects to purchase the site and commence construction before that date.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MAR-DIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-86 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Assignment of Interest for Parcel 683-D(2) in the Western Addition A-2.
- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 683-D(1) in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in these matters.

Resolution No. 196-86 requests authorization to Assign and Transfer all Right, Title and Interest in the LDA, as Amended, from Roosevelt and Altheda Carrie to WDG-IV Sutter/Steiner for the parcel located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Resolution No. 197-86 requests authorization of a Combined Agreement for an LDA with WDG-IV Sutter Steiner for the same parcel and for the adjacent parcel.

Mr. Kernan reported on items (b) and (c) as follows. In April 1983 the Agency conveyed the parcel located at the southeast corner of Steiner and Sutter Streets to the Carries who proposed rehabilitation of an existing three-story structure to provide for office and retail commercial space. Unexpected problems were encountered and Mr. Carrie was forced to file for bankruptcy in October 1985. Subsequently the Carries determined that new construction would be the best approach and, in order to add financial strength, proposed to form a partnership with Western Development Group, a minority-owned development corporation. In April 1986 exclusive negotiations were authorized with this joint venture to demolish the existing thirty-eight market rate residential condominiums. Since that time preliminary evidence of financing and an affirmative action plan have been submitted plus a request to assign the existing LDA with the Carries to WDG-IV so that both sites are controlled by the same entity. Formation of the partnership will be finalized in the form submitted to and approved by staff within thirty days of approval of the proposed assignment and it is therefore considered to be appropriate to enter into an LDA with a performance schedule calling for submission of evidence of financing by July 15 and conveyance of the

NEW BUSINESS (continued)

site by August 19, 1987. In connection with a Bankruptcy Court appearance scheduled for July 7, 1986, the developers are confident that with Agency approval of the LDA, combined with a payment plan to satisfy the contractor and bank involved in the Carries' original proposal, the Court will approve the plan.

Mr. Arnelle arrived at this time, 4:15 p.m.

Mr. Borregard, Agency General Counsel, noted the amendments to be made to the resolutions before the Commission.

Mr. Commons expressed his concern that those who had claims filed against this development would be recovered by the claimants or eliminated in the Bankruptcy proceedings and Mr. Charles Collins, Western Development Group, indicated that it is the intent of the partnership to satisfy the claims of the creditors, but that the claims can differ from what is actually settled.

Mr. Lee arrived at this time, 4:25 p.m.

Mr. Commons inquired what the total cost of the project would be and if the developers could carry the project to a successful conclusion. Mr. Collins indicated the project cost to be \$6 million and since the development had been granted an increase in density he believed all costs could be recouped.

Mr. Arnelle inquired out of what funds the claims of the creditors would be satisfied and Mr. Collins replied that this would be accomplished with construction financing and equity capital.

Mr. Commons noted Mr. Collins had taken on a tremendous task, for which he commended him.

There being no further persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-86 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a Rehabilitation Land Disposition Agreement for Parcel 1127-L in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

NEW BUSINESS (continued)

Resolution No. 198-86 requests authorization of an LDA with Von Otter Development for 1917 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In April 1986 exclusive negotiations were authorized to rehabilitate this three-story Victorian constructed in 1885 as three residential rental units. Since that time, Von Otter Development has been formed, comprised of Louis Edwards, Sr. and Dennis Rigg as General Partners, and Bettye Edwards, Joseph Rigg, Sr. and Lorraine Rigg as the other partners, all of whom have provided sufficient evidence of financial capacity and experience to undertake the project. The LDA performance schedule calls for submission of evidence of financing by January 21 and conveyance of the site by March 25, 1987.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-86 BE ADOPTED.

- (e) Resolution No. 199-86 requests approval of ED2 International as the Architect for Western Commercial Partnership I's (WCP) development of Parcel 708-B, located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In November 1985 an LDA and Basic Concept Design were approved for the development of 156 residential units and 60,000 square feet of office and retail commercial, followed by Conditional Approval of the Schematic Drawings on June 10, 1986. On June 2nd the Agency was advised in writing of the developer's selection of ED2 in place of the architects they had dismissed. As required by the LDA, Agency approval of this selection has been requested. Specifically assigned to the project by ED2 will be two of their principals, Frank Fung and Peter Wong.

In addition to currently serving as architects for several major housing and hotel projects in San Francisco and Los Angeles, ED2 has joint ventures with other architectural firms for the design and construction documents of major housing and commercial projects in San Francisco. Also the firm has performed major interior design projects, which experience would be important to WCP I in addressing staff's design concerns on the quality and livability of the proposed development. A number of their clients were contacted and all responses were positive.

Mr. Kernan noted the presence at the meeting of Mr. Frank Fund, ED2 International.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-86 BE ADOPTED.

- (f) Resolution NO. 200-86 requests approval of Gerson-Overstreet and Stanton & Associates for the Fillmore Center Developers' Development of a Community Center on Parcel 749-C, located on the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. In November 1985 an LDA was authorized for the Fillmore Center Developers' development on properties west of Fillmore at O'Farrell, Ellis, Eddy and Turk Streets. Included in that approval was a program for a community center on the subject separate parcel, to be operated by Third Baptist Church. Based on the requirements of the LDA, the developer's selection of architects has been submitted to the Agency for approval. Gerson-Overstreet has had diversified experience in community center design and Stanton & Associates has had considerable experience in senior citizen center design. Since the center will consist of community serving facilities, staff considers that these two firms will provide an excellent combination of architectural skills to serve the Fillmore Community Center.

Mr. Kernan noted the presence at the meeting of Mr. Harry Overstreet and Mr. Michael Stanton, architects for the development.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-86 BE ADOPTED.

- (g) Resolution No. 201-86 requests authorization of a First Amendatory Agreement to the LDA with B & H Redevelopment Group for 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Kernan reported on item (g) as follows. In September 1985 an LDA was authorized to rehabilitate this three-story Victorian, constructed in 1906, as four residential rental units. Although all prior LDA performance schedule requirements have been adhered to, the July 2, 1986 date for submission of evidence of financing cannot be met since additional time is needed by the lenders to process the large volume of loan applications that have increased considerably due to lower interest rates. Lengthy loan processing is being experienced by many developers and therefore the requested extension is considered to be appropriate. The revised performance schedule would extend evidence of financing from July 2 to September 3, 1986 and conveyance of the site from September 17 to November 5, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-86 BE CARRIED.

NEW BUSINESS (continued)

- (h) Resolution No. 202-86 requests authorization of a First Amendatory Agreement to the LDA with Young Hi Moon Park and Paul Park for 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Kernan reported on item (h) as follows. In June 1985 an LDA was authorized for the rehabilitation of this two-story Victorian building. Although all other LDA pre-conveyance requirements were met in a timely manner and a building permit has been issued, financing has still not been obtained. In view of the current favorable borrowing climate, staff has been concerned at the lack of progress in this regard and therefore initiated steps to terminate the LDA in April 1986 due to failure to obtain financing and close of escrow by March 26. However, in April 1986, based upon a pending loan application with Sumitomo Bank and Mrs. Park's departure from the country for medical treatment, the termination date was extended to July 2, 1986 on condition that financing be secured by June 25, 1986, which deadline was not met. However, Mr. Park now advises that it is intended to submit a loan application to Sacramento Savings & Loan Association on July 3rd and staff has confirmed the lender's interest in the application. Given the current delays in obtaining appraisals, loan approval is expected to take 8-10 weeks, followed by closing within a few weeks.

The fact that Sacramento Savings is financing the rehabilitation of an adjacent building at 1689 Sutter is considered to be a favorable indication for loan approval. The proposed First Amendatory Agreement would waive the Agency's option to terminate the LDA and provide for submission of evidence of financing by September 17 and conveyance of the site by October 29, 1986.

The Commissioners expressed concern that, according to staff, the developer was not moving expeditiously to obtain a loan and inquired if Mr. Park understood that this was the final extension. Mr. Park replied affirmatively and noted that he had completed the necessary loan documents today for submission to Sacramento Savings & Loan Association.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-86 BE ADOPTED.

- (i) Resolution No. 203-86 requests authorization of additional funds in an amount of \$94.55 for travel undertaken by Helen Sause, Project Director, Yerba Buena Center, June 4-9, 1986 to attend NAHRO's Housing and Community Development Educational Conference, Committee and Board of Governors meetings in Washington, D.C.

Mr. Kernan reported on item (i) as follows. In May 1986 travel expenses were approved in an amount not to exceed \$780. However, the original economy fare of \$298 was increased by \$79.50 when Ms. Sause returned one day earlier in order to attend the James Stewart Polshek presentation at Roger Boas' office. In addition, the travel costs were under-estimated by \$15.05.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-86 BE ADOPTED.

- (j) Resolution No. 204-86 requests authorization of a Professional Services Contract in a maximum amount of \$40,000, with Katz Hollis Coren & Associates in connection with all Redevelopment Project Areas.

Mr. Kernan reported on item (j) as follows. The services of this consultant are considered necessary to assist staff in evaluating the potential of more fully utilizing tax increment financing and to explore this financing strategy in greater depth as it relates to existing and future redevelopment opportunities in the City. The proposed contract would provide for: ten year tax increment revenue projections; a multi-year cash flow analysis for each project; a financing plan which will explore alternative bonding programs; an analysis of the fiscal impact upon taxing entities which will also provide a limited review of the potential impact on City and County services resulting from the utilization of tax increments generated by redevelopment activity; analyses of tax increment financing under existing and proposed Federal and State legislation and the financial implication of potential project mergers and expansions. Under the contract the Agency would be obligated to provide certain redevelopment project financial information to the Consultant which would include property tax information to be obtained from the Office of the Controller through a Letter Agreement. This matter will be considered separately. All other required information would be provided by staff. It is staff's opinion that Katz Hollis Coren is best qualified to provide these financial services when taking into consideration the firm's capabilities and past experience. The proposed contractor does not carry errors and omissions insurance and wishes to modify the Agency's standard contract indemnification provision to limit its obligations to circumstances including its negligence or other wrongful conduct only. In view of the limited and technical nature of the scope of the work of the contract, staff does not consider that errors and omissions coverage is warranted. The contract fee, which would be on a time and materials basis, would not exceed \$40,000.

Ms. Berk inquired when the information would be available and Mr. Tom Conrad, Chief of Planning Housing and Programming, indicated that it would probably be available within the next thirty days.

Mr. Commons noted that this was an important project that the Commission is concerned about and indicated that an interim meeting should be held with Katz Hollis Coren to answer any questions the Commission might have to ensure all bases are covered. Mr. Kernan indicated that those arrangements would be made.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-86 BE ADOPTED.

- (k) Resolution No. 205-86 requests authorization of a Letter Agreement, in an amount not to exceed \$15,000, with the Information Services Division of the Office of the Controller of the City and County of San Francisco to provide Property Tax Information for all Redevelopment Project Areas.

Mr. Kernan reported on item (k) as follows. As part of an effort to determine the scope and direction of future redevelopment activity in the City, the Agency is exploring the use of tax increment financing as a primary financing strategy and it is proposed to contract the consulting firm of Katz Hollis Coren & Associates, Inc. to prepare specific relevant information. In order for the Agency to provide certain property tax information to the consultant, as required by the contract, the proposed Letter Agreement is necessary.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-86 BE ADOPTED.

- (l) Resolution No. 206-86 requests authorization to submit a Request for Funding (RFF) to the Mayor's Office of Housing and Community Development (OCD).

Mr. Kernan reported on item (l) as follows. This RFF will seek an appropriation of \$492,431 from the City's 1987 annual entitlement to Community Development Block Grants (CDBG) and authority to reprogram \$1,658,606 in prior year entitlements and to use program income in the amount of \$14,526,130. CDBG funds, the Agency's major source of funding, has dwindled from a high of \$18.6 million in 1976 to \$.3 million in 1986. The 1986 grant was only a partial funding for and restricted to the City's Central Relocation Services (CRS) which is housed at and whose services are administered by the Agency. The Agency's capital projects, which were previously recipients of these grants, must now depend on land sales, rental income, previously appropriated CDBG entitlements, tax increment, and miscellaneous other sources to continue redevelopment activities. Since, in the past, funding had been entirely from CDBG there was not a problem in presenting a balanced budget to OCD. However, because of the non-availability of CDBG funds and the necessity of infusing non-CDBG sources which uses must be approved elsewhere, such a budget cannot be finalized at this time. An expenditure level is therefore proposed for new work items totalling \$21,058,267 to be financed by: land sales, \$13,034,830; New CDBG entitlement, \$492,431; Tax Increment, excluding YBC, \$4,381,100; Rental Income, \$1,491,300; and CDBG Prior Year Entitlements, \$1,658,606. The RFF will seek authority to expend land sales, rental income and CDBG prior year entitlements for the purpose of continuing

NEW BUSINESS (continued)

redevelopment activities. To the extent land sales and rental income are not realized, the proposed expenditure schedule will be adjusted.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-86 BE ADOPTED.

- (m) Resolution No. 207-86 requests authorization to pay a Training Consultant Fee to the Golden Gate University in the amount of \$2,750.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner that Item (m) would be continued. There being no such objection, it was so ordered.

- (n) Resolution no. 208-86 requests authorization of an Amended and Restated indenture of Trust in connection with the Agency's Multifamily Housing Revenue Bonds, 1985 Issue A, for the Fillmore Center Project in the Western Addition A-1.

Mr. Kernan reported on item (n) as follows. On December 31, 1985 the Agency issued its Multi Family Housing Revenue Bonds in the principal amount of \$95 million to provide for the development of 1113 residential rental units, parking, commercial space and a community center by Fillmore Center Developers. Additional security for the Bonds will be provided by a Pass-Through Certificate issued by the Federal National Mortgage Association (Fannie Mae). Although anticipated to occur shortly thereafter, arrangements for this Fannie Mae credit enhancement had not been completed at the time the Bonds were issued and the Indenture of Trust provided for the Bond Proceeds to be temporarily invested at an interest rate of 7% during that time. The Fannie Mae commitment was expected to be issued by May 1, 1986, with the Bonds to be remarketed during the Escrow Period, May 1, to July 1, 1986 to establish an interest rate through maturity in 2007. Because of changes necessitated by pending Federal tax reform legislation, it became apparent in mid-June that the Fannie Mae commitment would not be issued by July 1, 1986 and, rather than allow the Escrow Period to lapse, the Executive Director gave notice to the Trustee to extend the Escrow Period through December 31, 1986 or such earlier time after October 1, 1986 thirty-five days notification of which is given to the Bondholders. This is the maximum extension period allowed by law and if the Fannie Mae commitment and all other arrangements are not in place by that time, the Bonds must be redeemed. Due to an oversight, the Indenture does not provide for establishing an interest rate on the Bonds during the extended Escrow Period and the primary purpose of the subject resolution is to add an appropriate mechanism to do so thereby implementing action previously taken by the Executive Director. In addition, the Amended and Restated Indenture will include minor, nonsubstantive clarifying changes. In accordance with the proposed method of

NEW BUSINESS (continued)

determining the interest rate during the extended Escrow Period, based upon prevailing marketing conditions, the Remarketing Agent has established a rate of 4.25% during the balance of the Escrow Period. The proposed changes involve no cost or additional exposure to the Agency. Agency Bond Counsel and the Lead Underwriter have reviewed the documents and find them to be satisfactory.

Mr. Henry Lanier, First Boston Corporation, and Mr. Tom Numainville, Housing Associates, responded to questions from the Commission.

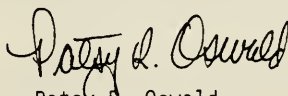
ADOPTION: IN WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-86 BE ADOPTED.

President King announced that tonight's regular meeting would be adjourned to July 7, 1986 at 10:30 a.m. in the fourth floor conference room at Ellis Street for the purpose of conducting a workshop on the proposed expansion of the Moscone Convention Center in Yerba Buena Center.

ADJOURNMENT:

It was moved by Mr. Mardikian, seconded by Mr. Commons and unanimously carried that the meeting be adjourned to a meeting at 10:30 a.m. on July 7, 1986. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

August 5, 1986



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MINUTES OF AN ADJOURNED REGULAR MEETING  
OF THE REDEVELOPMENT AGENCY OF THE CITY  
AND COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF JULY, 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 10:30 o'clock a.m. on the 7th day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following was absent:

Leroy King, President (arrived at 10:35 a.m.)  
Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Roger Boas, Chief Administrative Officer and Germain Wong, Chief Administrative Officers Office; Architectural Consultant, Sara Elizabeth Caples, of James Stewart Polshek and Partners; and Fred Foote, of Mitchell-Giurgola.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Marshall Kilduff, San Francisco Chronicle.

NEW BUSINESS

- (a) Workshop on the proposed expansion of Moscone Convention Center.

President King Arrived at this time, 10:35 a.m. and resumed the chair.

Sara Elizabeth Caples and Fred Foote presented the Concept Plan for the expansion of Moscone Convention Center.

A discussion ensued between the Commissioners, staff, architectural consultants and the Chief Administrative officer, a tape recording of which is on file with the Agency Secretary.

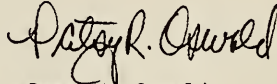
Minutes of an Adjourned Regular Meeting  
July 7, 1986

Mr. Newman left the meeting at 11:35 a.m.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk and unanimously carried that the meeting be adjourned. The meeting adjourned at 11:45 a.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald".

Patsy R. Oswald  
Agency Secretary

APPROVED:

August 26, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
8TH DAY OF JULY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

None

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Katherine Nash, Rainbow; Carolyn Robinson, Bayview Senior Center; Mel Miles, PINC; Sue Bierman; Roger Boas, Chief Administrative Officer; Germaine Wong; George Kirkland, San Francisco Visitors and Convention Bureau; Mark Hardeman, Union Local 510; Fred Foote, Mitchell-Giurgola; Sara Elizabeth Caples, James Polshek's Office; Richard Morton, San Francisco Chamber of Commerce; Joseph Madonna, Yerba Buena Gardens Associates.

Representing the press were: Dan Borsuk, San Francisco Progress; Gerald Adams, San Francisco Examiner; Marshall Kilduff and Alan Temko, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) With regard to the proposed Moscone Convention Center Expansion, a presentation was made on the Concept Plan by architects Maki/Polshek/Mitchell-Giurgola to the Chief Administrative Officer and to the Commissioners at a workshop on July 7, 1986. Later that day it was presented to the Mayor, the Department of City Planning and the Director's Advisory Committee.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) On July 10 at 2:00 p.m. the Rules and Legislation Committee of the Board of Supervisors will be holding a Special Meeting and will be considering a resolution submitting to the electors of the City a proposition authorizing additions to Moscone Convention Center using a lease with the Redevelopment Agency of the City and County of San Francisco. Supervisors Molinari, Hongisto and Walker are on this Committee. It is expected that this resolution will be before the full Board on Monday July 14 or Monday July 21.

NEW BUSINESS

- (a) Resolution No. 209-86 requests authorization of a Permit to Enter Agreement with the Bayview Hunters Point Multipurpose Senior Center and Sierra Shows for the use of Parcel D, July 24 through July 27, 1986, located in the block bounded by Third Street, Evans Avenue, Newhall Street and Galvez Avenue in the India Basin Industrial Park.

Mr. Kernan reported on item (a) as follows. The joint sponsors propose to hold a carnival consisting of rides, games and food booths which will give the seniors an opportunity to earn additional funds for their Senior Group. The necessary insurance coverages will be obtained, a twenty-four hour security guard service provided, and the area will be cleaned up when the festivities are concluded. The developer of the subject parcel has no objection to this proposed interim use, which use is in conformity with adopted Agency policy. It is suggested that no rent be charged because of the non-profit status of this community organization.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-86 BE ADOPTED.

- (b) Resolution No. 210-86 through and including Resolution No. 217-86 requests authorization to re-enter into Exclusive Negotiations, until October 8, 1986, with eight prospective developers of various lots in Site S-4, located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Mr. Kernan reported on item (b) as follows. The subject resolutions request authorization to re-enter into Exclusive Negotiations, until October 8, 1986, with eight prospective developers of various lots in Site S-4 located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point. Exclusive negotiations with eleven developers, authorized in August 1985, were subsequently extended on a number of occasions, with the latest extension being to July 8, 1986. Of the three developers who opted to develop their homes individually, only Mr. Robert J. Primus, with whom an LDA was authorized on July 1, 1986, provided the required written

NEW BUSINESS (continued)

confirmation of the availability of financing and a valid building permit. The other two developers, SOCA Development and Sherman and Earline Hill, were therefore advised of the expiration of their exclusive negotiation rights. SOCA has not requested a further extension; however, the Hills have, and it is proposed that consideration be given to allowing them to join the group of eight provided it does not disrupt the group's timetable and its established procedure is adhered to. The analysis of the Purchasers Agreement by outside attorney, staff and the prospective Developer/Purchasers and analysis of builder costs and approval of such costs has taken longer than anticipated, resulting in the requested ninety day extension. However, staff is confident that the group's proposed alternative development approach will lead to the successful completion of homes on the S-4 lots. Six persons on the S-4 waiting list have indicated an interest in the unassigned lots and staff will examine their financial capacity to undertake such a commitment.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210.-86 THROUGH AND INCLUDING RESOLUTION NO. 217-86 BE ADOPTED.

- (c) Resolution No. 218-86 requests authorization to extend Exclusive Negotiations, until December 10, 1986, with the Parent-Infant Neighborhood Center, Inc. (PINC) for Parcel 724-A(1) located on the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2.

Mr. Kernan reported on item (c) as follows. Exclusive negotiations, authorized in September 1985, for the construction of a childcare center were subsequently extended to July 8, 1986. To date, commitments of \$240,000 have been received from various sources for the project, the development cost of which is estimated at \$1 million. Because of the difficulty being experienced in raising funds, the possibility of a two phase development is being considered and the proposed extension will provide PINC with the opportunity to further explore this possibility and to continue their efforts to raise funds.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-86 BE ADOPTED.

- (d) Resolution No. 219-86 requests authorization of a Personal Services Contract, in an amount of \$35,000, with Keyser Marston Associates (KMA) for Economic Urban Land Consulting Services in connection with Yerba Buena Center.

Mr. Kernan reported on item (d) as follows. KMA has assisted the Agency since 1982 in all aspects of marketing, financial

NEW BUSINESS (continued)

analysis, economic review and developer selection during the entire Central Blocks negotiation process. Staff anticipates a continuing need for general economic consulting services through the implementation of the Central Blocks, and KMA is uniquely equipped to provide such services because of its thorough and comprehensive knowledge of the project. The contract will be paid on a time and materials basis and will not exceed \$35,000.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-86 BE ADOPTED.

- (e) Resolution No. 220-86 requests authorization of a Personal Services Contract, in an amount of \$30,000 with Economics Research Associates (ERA) in connection with Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. Since 1978, ERA has prepared and updated the economic vitality and feasibility studies and analyzed the risks and attendance projections for the Amusement, Recreation and Entertainment (ARE) uses for YBC. This firm has been essential in providing analysis of the developer's proposals and staff continues to have need of their assistance during the implementation of the project's ARE uses. These ongoing recreational and economic consulting services are considered to be essential during the implementation of the ARE uses to prepare further analyses and projections and to assist the Agency in responding to the developer's suggested users. It is anticipated that the firm's services will be required to analyze the relationship of the ARE uses to the Moscone Convention Center, if it is to be expanded under Central Block 2. The original contract is now being concluded and it is therefore proposed to enter into a new contract, which will be on a time and material basis, for this phase of the project.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-86 BE CARRIED.

- (f) Resolution No. 221-86 requests authorization of a Third Amendment, which increases the contract amount by \$20,000, to the Personal Services Contract with Adamson & Associates for Construction Estimating Services in connection with Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. This contract was originally authorized in January 1982 in an amount of \$20,000. The contract amount was subsequently increased by \$10,000 and \$25,000 in May 1983 and December 1984 respectively. The proposed Third Amendment will provide for the ongoing services

NEW BUSINESS (continued)

of Mr. Peter Adamson in analyzing costs for the Central Blocks development. Since the design process and cost analysis will continue to be refined, a capacity needs to be maintained to evaluate the developer proposals and formulate cost figures for the improvements for which the Agency is responsible. The contract will be paid on a time and material basis and will not exceed \$20,000.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-86 BE ADOPTED.

- (g) Resolution No. 222-86 requests authorization to establish an Agency policy on the proposed expansion of the George Moscone Convention Center under Central Block 2 (CB-2) in Yerba Buena Center.

Mr. Kernan reported on item (g) as follows. In February the Mayor requested the Chief Administrative Officer (CAO) to evaluate the need to expand the Convention Center to accommodate the increasing demands of the convention industry and recommend a process to accomplish such an expansion if it was needed. As a result of this request the CAO, working with the Agency, had a Concept Plan prepared by architects Maki/Polshak/ Mitchell-Giurgola. This Concept Plan indicates that an expansion could occur generally to the north of the current Convention Center generally under Howard Street and the easterly two-thirds of CB-2. This Plan also provides that Howard Street would be depressed in the area of the Convention Center lobby, thereby creating usable surface area for open space and circulation purposes. The Plan appears to mitigate the impacts of the expansion of the gardens and cultural uses to an acceptable degree, however, a number of issues remain to be resolved including design development of the Concept Plan, relocation of the Developer's parking from under CB-2, voter approvals and satisfaction of any legal requirements.

President King announced that there would be a brief recess. The meeting recessed at 4:28 p.m. and reconvened at 4:30 p.m.

The architects Fred Foote, Mitchell-Giurgola's office; and Sara Elizabeth Caples, James Polshak's Office, presented the Concept Design Plan for the expansion of Moscone Convention Center under Central Block 2.

The following persons spoke regarding the expansion of Moscone Convention Center: Roger Boas, Chief Administrative Officer (CAO); George Kirkland, San Francisco Visitors and Convention Bureau; Mike Hardeman, Local 510; Richard Morton, San Francisco Chamber of Commerce; Susan Bierman, City Planning Commission, representing herself.

NEW BUSINESS (continued)

After an extensive discussion, a tape recording of which is on file with the Agency Secretary, between the Commissioners, Executive Staff and Joseph Madonna of YBG Associates, the Commission proposed changes to the resolution before them.

President King announced that there would be a recess at this time. The meeting recessed at 5:55 p.m. and reconvened at 6:10 p.m., with the same roll call.

Leo Borregard, Agency General Counsel, noted the changes to the subject Resolution. The Commission then adopted the following resolution as changed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 223-86 requests authorization of a Second Amendatory Agreement to the LDA with Harrison Plaza Associates for Parcel 3751-P located on the northwest corner of Lapu Lapu and Harrison Streets in Yerba Buena Center.

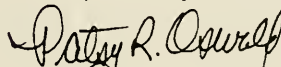
Mr. Kernan reported on item (a) as follows. A First Amendatory Agreement, approved in May 1986, extended the conveyance date from June 2 to August 6 to provide additional time to obtain a site permit with addendum for grading and foundation as required for conveyance. The site permit and grading addendum were issued on July 1, 1986, however, the foundation addendum was not processed because the Building Inspector required additional information. This additional information was submitted upon the return of the Building Inspector from a one week vacation on July 7, 1986, but there is no assurance when the addendum will be issued. Because of the time required to secure a site permit with required addenda, which was filed in February 1986, the construction loan has been extended twice, most recently to July 15, 1986 and the lender has expressed concern about the delays in conveyance and requests that the loan be closed. Since any further delay could endanger the construction loan, it is proposed to permit conveyance without a foundation addendum. The actual start of construction would not occur until the foundation addendum is issued. This procedure will enable the construction loan to be closed and the parcel conveyed, thereby ensuring that the project will go forward.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald  
Agency Secretary

APPROVED

August 5, 1986



36

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
15TH DAY OF JULY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle  
Dorman L. Commons

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Brian Doyle, Phoenix Group, Inc.; David Jenkins; Michael E. Hornstein; Ocie Rogers

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the Minutes of the Regular Meeting of May 27, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the Minutes of the Regular Meeting of June 3, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the Minutes of the Regular Meeting of June 17, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) The Cultural Operating Board for the Yerba Buena Gardens held their first election of officers last week, July 7, electing Peter Mezey, President; Bill Osterhaus, Vice President; Art Toupin, Treasurer; and Joe Chen, Secretary.
- (b) The Japanese Cultural & Community Center held a ribbon-cutting ceremony and reception on July 12 to celebrate their formal opening at 1840 Sutter Street in the Western Addition. This event signaled the completion of the first phase main office building and was also a kick-off of the second phase campaign to raise money to construct an adjoining multi-purpose community hall/gymnasium. This two-story structure will accommodate a nutrition program serving over 250 elderly daily along with offices and conference rooms. In attendance for this special occasion were President King and several Agency staff, including Supervisors Molinari and Renne.
- (c) The Rules and Legislation Committee of the Board of Supervisors considered on July 10 a resolution that would submit to the electors of the City a proposition authorizing additions to Moscone Convention Center using a lease with the Redevelopment Agency. Yesterday this item was called out on roll call by President Molinari to be considered by the full Board of Supervisors on July 21.

Staff has concerns about the ballot proposition language, which concerns have been expressed to representatives including Supervisor Molinari. It has also been discussed with the Mayor. The concerns have to do with the schedule, which is reflected in the Harvey Rose report to the Board of Supervisors, as it seems to indicate a four year delay in the gardens. It is believed that it can be reduced by at least two years. A separate, and at least as serious, issue is the lack of specificity of the site to be developed, because the language in the current ballot proposition does not limit the expansion location and could theoretically be located anywhere in the general area. It should specify the subsurface of Central Block 2 so that there is no confusion about the location. Staff will follow this closely and keep the Commission informed.

Mr. Mardikian arrived at this time, 4:15 p.m.

Mr. Newman inquired if the ballot measure on the Moscone Convention Center expansion ties itself to increasing the hotel tax and if a dollar amount is specified. Mr. Hamilton indicated that Counsel points out that the language in the ballot proposition makes the expansion dependent upon the hotel tax, but does not recall that it is specific with respect to the exact amount of the increase. There is no mention of dollars specifically in that proposition in the ballot language, which is of some concern to the Mayor's office and is part of what has to be negotiated over this coming week.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Berk inquired if it is the intention to specify geographically where this addition is to be and Mr. Hamilton replied, absolutely, although it is not there now. It is one of the concerns that it does not in fact limit the expansion location to a precise site. As the language now reads, it could be any place in the general area of the current Moscone Convention Center.

NEW BUSINESS

- (a) Resolution No. 224-86 requests consideration to terminate the Owner Participation Agreement with Phoenix Realty Group, Inc. for the development of Lots 12 and 14 in Block 696, located on the southeast corner of Post and Gough Streets in the Western Addition A-1.

Mr. Hamilton reported on item (a) as follows. A letter dated July 15, 1986 has been received from Mr. David Cincotta representing the Phoenix Group which is a formal request for consideration of a time extension. Also, a letter dated July 14, 1986 has been received from Edward Merrill of the law firm of McCutchen, Doyle, Brown and Enersen representing Security Pacific National Bank, requesting that the Owner Participation Agreement be continued for thirty days to allow them to resolve several issues with the Phoenix Group. As Mr. Cincotta points out in this letter, Phoenix still owns a portion of the site and, although the option has expired, it is considered to be in the best interests of the Agency and Developer to successfully conclude negotiations, thereby enabling the project to move forward.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (a) would be continued for thirty days. There being no objection, it was so ordered.

- (b) Resolution No. 225-86 requests authorization of a Reconveyance Agreement with Michael and Ellen Hornstein for the Parcel C-1(6) located on the northeasterly corner of Newhall Street and Evans Avenue in the India Basin Industrial Park.

Mr. Hamilton reported on item (b) as follows. An LDA was authorized in January 1985 for the construction of an Industrial building for the exclusive use of Snyder-Newell Company, a direct mail order firm that employs approximately 120 persons. First and Second Amendatory Agreements were subsequently approved due to a delay in issuance of a building permit which, in turn, delayed finalization of financing. Although a building permit has now been obtained and the Bank of America was prepared to finalize its loan, the general contractor is unable to obtain a performance bond because this development would cause his bonding capacity to be exceeded. A new general contractor has been retained

NEW BUSINESS (continued)

whose Affirmative Action Program has been found satisfactory; however, the lender requires additional time to review the new construction contract and to prepare its loan documents accordingly. All usual preconveyance requirements have therefore not been met; however, they are expected to be complied with shortly after conveyance, and the Hornsteins have requested a modified conveyance procedure whereby an executed Reconveyance Agreement and re-entry deed would be provided to the Agency. A similar procedure has been used in a number of transactions. July 15, 1986 is the land price expiration date; however, the proposed reconveyance procedure will permit preservation of the present disposition price. Failure of the new contractor to submit a satisfactory Affirmative Action program or failure to conclude construction financing arrangements by August 13, 1986 would result in the Agency exercising its rights under the Reconveyance Agreement and the reentry deed would be recorded. This would revert the title to the site in the Agency and any future negotiations with the developer for the purchase and development of the site will be subject to a land price reappraisal.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-86 BE ADOPTED.

- (c). Resolution No. 226-86 requests authorization of an Amendment No. 2 to the Personal Services Contract RPSB E2-SOILS with Harding Lawson Associates.
- (d) Resolution No. 227-86 requests authorization of an Amendment No. 2 to the Personal Services Contract RPSB E7-GEOTECHNICAL with Harding Lawson Associates.

Mr. Hamilton reported on items (c) and (d) as follows. Because of their inability to provide the insurance coverages currently required by these contracts, Harding Lawson has requested the coverages be modified to provide for: \$1 million per occurrence and in the aggregate annually as a single limit for Bodily and Personal Injury, Property Damage and Professional Liability; automobile liability at \$1 million per occurrence, combined single limit for bodily injury and property damage. The automobile policy will be provided through INA, a top-rated traditional insurance company with all other coverages to be provide through Redwood Insurance, Ltd., a newly formed company incorporated in Bermuda. The deductible for any claim under this policy is \$50,000 which Harding Lawson has certified they are financially able to pay out of their assets and staff has concluded that the Agency's risk in the area of general liability from this type of design contract is quite minimal. Although possibly a greater risk lies in the area of professional liability, the Consultant has performed satisfactory services for the Agency for sixteen years without the liability provisions of their

NEW BUSINESS (continued)

contract being invoked. It should be noted that the \$1 million is an annual aggregate limit, as opposed to the present contract requirement of an occurrence limit, and one or more large claims could conceivably exhaust the aggregate and eliminate coverage for a subsequent claim. Therefore, in order to protect the Agency, the proposed amendments will provide that the Consultant be required to immediately notify the Agency of any claim, loss or damage in excess of \$50,000. This situation could then be evaluated should any potentially large loss occur and an appropriate course of action determined at that time.

Mr. Newman inquired if the Agency's liability insurance takes over in the event of a major loss. Mr. Borregard, Agency General Counsel, indicated that the Agency is protected by its own policy which is separate coverage from Harding Lawson's policy.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-86 BE ADOPTED.

- (e) Resolution No. 228-86 requests authorization of Third Amendment to the Owner Participation Agreement (OPA) with SBMA, Ltd. for Development Site I-2, Block 3789, Lots 26 and 27 located on the northerly side of Townsend Street between First and Colin P. Kelly, Jr. Streets in Rincon Point-South Beach.

At Mr. Hamilton's request, Leo Borregard, Agency General Counsel, reported on item (e).

The following is a summary of the memorandum to the Commission dated July 11, 1986 regarding the subject item.

In December 1985 an OPA was entered into providing for 414 units of housing. Also in December, the Agency issued tax exempt bonds in the amount of \$46 million, the proceeds of which are to be utilized by Puller Mortgage Associates, Inc. (Puller) to make a permanent take-out loan to SBMA, Ltd. upon completion of the project. The loan is to be coinsured by Puller and the Department of Housing and Urban Development (HUD) which is, in essence, a credit enhancement making possible a more favorable loan rate. However, HUD has certain requirements that must be complied with before it will coinsure the loan. In connection with the recent remarketing rate of 7.2% to SBMA, the Agency agreed to undertake revisions of the OPA to meet HUD coinsurance requirements which were set forth in the Second Amendment to the OPA approved in April 1986. HUD coinsurance requirements, in essence, provide that while the mortgage is in force HUD would be able to preserve economic feasibility through the superiority of its requirements over any OPA

NEW BUSINESS (continued)

conflicting provisions, and if there is a foreclosure to eliminate as many constraints as possible in order to make the remarketing of the property as successful as possible. Because the Agency has insisted upon the applicability of the Redevelopment Plan, including the preservation of twenty-two bonus units, 11 low and 11 moderate income units, required of the Developer in connection with the relaxation of height and density limits, the Third Amendment has been submitted by Puller to HUD in Washington for approval. Approval has not yet been obtained and your approval is conditioned on HUD approval but Agency approval at this time will facilitate the Developer's mortgage commitment procedure. Significant provisions of the Third Amendment are: it will not go into effect until the coinsurance mortgage has been recorded, after the Agency has issued and recorded its Certificate of Completion; all low- and moderate-income housing units in the event of foreclosure are lost except the twenty-two bonus units and the successor-in-interest takes subject to all of the terms of the OPA, except certain maintenance obligations and the low-income housing provisions other than the bonus units. In turn, all obligations of the Agency with respect to best efforts to make off-site improvements are eliminated; all monetary obligations of the owner are limited to the availability of surplus cash defined in HUD regulations, including payment of the Agency loan from any excess proceeds; any amendments after the Third Amendment is in effect, required Puller's approval; if the coinsured mortgage is removed from the project without foreclosure, all of the low- and moderate-income provisions contained in the OPA are in full force and effect.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-86 BE ADOPTED.

- (f) Resolution No. 229-86 requests Conditional Approval of the Schematic Drawings for S.F. Development Company's project Block 3751, Parcel Q, located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. Exclusive negotiations, authorized in October 1985, were subsequently extended in March and May 1986 for further refinement of the design which includes ground floor retail in addition to approximately 217 market-rate housing units. On June 16, 1986, Schematic Drawings were submitted with response to most of the major design guidelines for the site. However, since the exclusion negotiation will expire on August 8, 1986, and the LDA documents will not be finalized and published by that time, a sixty day extension will be requested at a future date. Upon review of the Schematic Drawings, it is considered that staff design concerns can be successfully addressed during the Preliminary Construction Document phase.

NEW BUSINESS (continued)

Mr. Walter Yanagita, Senior Architect, described staff design concerns and noted that it is considered these concerns can be satisfactorily addressed during the Preliminary Construction Document Phase.

Mr. Newman expressed his concern about the undistinguished design of the building, especially noting the lack of a set back and the blank wall at the corner of the site, and indicated he could not vote for approval.

Mr. Mardikian inquired if there were any of the five design concerns that addressed the concern of Commissioner Newman in terms of future work to soften the edge of the building along the street. Mr. Yanagita indicated that item one of the design concerns addresses it indirectly. Mr. Mardikian indicated that if the sense of some of the expressions of concern of the Commissioners is understood to be included in item one, which Mr. Yanagita indicated approached it indirectly, could be understood to be approached directly, and given the fact that this is conditional approval, he was prepared to move the motion so that design may go forward.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND CARRIED, WITH MR. NEWMAN DISSENTING, THAT RESOLUTION NO. 229-86 BE ADOPTED.

- (g) Resolution No. 230-86 requests authorization of a Thirteen Day extension to the Schedule of Performance in the Agreement with YBG Associates for the Central Blocks Phase 1 in Yerba Buena Center.

Mr. Hamilton reported on item (g) as follows. The proposed extension would extend all Phase 1 dates, which includes the hotel parcel in CB-1 and CB-2, as well as design, conveyance, and construction start and completion. Additional time is needed to accommodate the changes required by the proposed expansion of the Moscone Convention Center and to conclude the documentation for the hotel closing which is expected to occur by August 1, 1986.

Ms. Berk inquired if all the delays were related to the proposed Moscone Convention Center expansion, and Mr. Hamilton indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-86 BE ADOPTED.

- (h) Resolution No. 231-86 requests authorization to establish the Agency's contribution to the Employee and Retiree Health Plans effective August 1, 1986.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (h) as follows. Since 1975, under the Public Employees' Retirement System (PERS), the Agency's contribution to these plans has been set at a level equal to the State's contribution, which was based upon a formula written into State law. Although the State has commenced negotiating with various employee groups, the vast majority of State employees continue to have the employer contribution rate set by this Code Section. The Agency's recently-negotiated Agreements with Local 790 and 21, which are both effective through December 31, 1987, contain language to the effect that the Agency's contribution to health plans would be in accordance with the formula established by State law. The rates effective August 1, 1986 represent a 2.7% increase which is a significant reduction from the 6.3% increase last year. It is considered that the PERs plans continue to provide employees with the best option for medical coverage and affords a wide range of plan choices at a low cost without the need for negotiations with individual carriers.

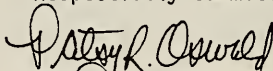
Mr. Earl Mills, Deputy Executive Director, Community Services and Administration, noted that all references to the word "future" in the resolution before the Commission should be deleted.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

August 5, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
22ND DAY OF JULY 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of June 10, 1986 be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The National Urban League, which has been in existence for 76 years and is the longest reigning forum on race relations, is holding its Annual Conference in San Francisco this week. The Conference is centered around their theme for this year, "Working Together To Make A Difference". Mr. Hamilton and President King have been attending some of the sessions.
- (b) On July 18 two groups of visitors were briefed and then given a tour of Redevelopment Areas. The interest in Redevelopment Projects continues to be high. One included the former Mayor of

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mataro, Spain, and the other was for five members of Technology Institute of Tokyo. The tours were carried out by Patricia Feinsilver and as always, well done.

- (c) The Board of Supervisors at their regular meeting July 21 approved putting on the November Ballot for voter approval a \$140 Million Bond issue for the purpose of expanding the Moscone Convention Center. The Agency was concerned about the sizing of that issue and staff was involved in the testimony. A report will be made to the Commission as these matters develop.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in an Assignment of Interest for Parcels 726-A, 731-A, 749-C, 750-A and a portion of Ellis Street, Western Addition, A-2.

President King opened the public hearing to hear all persons interested in this matter.

Resolution No. 232-86 requests authorization to Assign, Transfer all Right, Title and Interest from Fillmore Center Developers to Fillmore Center Associates in the LDA, as amended, for the parcels 726-A, 731-A, 749-C, and 750-A located between Fillmore, Steiner, Geary and Turk Streets, and a portion of Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. A letter was received from Housing Associates, Inc., Vice President Thomas Numainville, requesting a two-week extension. The letter also indicates that Integrated Resources, Inc. and Housing Associates, Inc. are reexamining how the venture will be structured and it may be possible, and even preferred, to have the current LDA holder, Fillmore Center Developers, as the primary entity. This would mean no assignment would be required.

It was requested at this time that the Public Hearing and Assignment be continued to the meeting of August 5, 1985, at the developer's request.

RULE OF THE CHAIR: President King indicated that subject to the objection of any Commissioner, item (a) would be continued for two weeks at the developer's request. There being no objection, it was so ordered.

- (b) Resolution No. 233-86 requests authorization to purchase a Replacement Pickup Truck.

Mr. Hamilton reported on item (b) as follows.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

It is proposed to replace a 1985 Ford Ranger pickup, which was damaged beyond feasible repair in a recent unavoidable accident. After the \$1,000 deductible, the Agency's automobile liability policy will pay \$5,500 for replacement of the pickup. A replacement vehicle is still needed by the Property Management Section since all the other vehicles it is intended to retain are more than six years old. It is proposed to purchase a replacement vehicle for a total price of \$9,160, including tax which, after the \$5,500 to be paid by the insurance company, results in an expenditure of \$3,660. Staff will negotiate the best possible deal for either a Ford Ranger or a Chevrolet S-10 pickup, both of which would satisfy the needs of the Property Management Staff.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-86 BE ADOPTED.

- (c) Resolution No. 234-86 requests authorization to pay \$1,386.97 to Leslie Leasing for Physical Damage Charges under a Lease Agreement for a 1983 Chevrolet Caprice.

Mr. Hamilton reported on item (c) as follows. In order to close out the 36-month lease on this vehicle, excess mileage charges were recently approved in an amount not to exceed \$1,200. The actual charges totalled \$1,047. At that time it was not anticipated that any further charges would accrue. However, when the vehicle was returned to Leslie Leasing it became apparent that the body condition was beyond what could reasonably be considered to be attributable to normal wear and tear. This was mainly due to less than satisfactory repairs performed as the result of an accident in September 1985. The original bill of \$1,695.36 was reduced to \$1,386.97 upon staff objecting to paying the full amount.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-86 BE ADOPTED.

- (d) Resolution No. 235-86 requests authorization of a Resolution of Intention to Amend the Agency's contract with the Public Employee's Retirement System (PERS).

Mr. Hamilton requested that this item be continued.

Mr. Richard Delaney, representing United Public Employees, Local 790, spoke in favor of this item.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (d) would be continued. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton reported on item (a) as follows. On July 1, 1986, the Agency Commission authorized execution of a Letter Agreement with the Information Services Division of the Office of the San Francisco Controller in an amount not to exceed \$15,000. The services to be provided thereunder consisted of preparation of certain property tax data for all redevelopment project areas for the applicable Base Year, that is, the year in which the Redevelopment Plan was adopted, and the last six years. The Agency was subsequently informed by the Controller's office that it will be unable to provide the Base Year data because that information is not on their computer. Accordingly, Agency Planning and Fiscal staff will have to research the information and they are prepared to do so. Since the Letter Agreement provides for compensation on a time and materials basis, that portion of the \$15,000 which would have been paid for the Base Year data will not be spent.

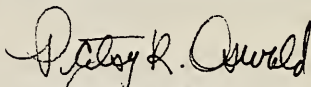
MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS AND UNANIMOUSLY CARRIED THAT THAT PORTION OF THE LETTER AGREEMENT ADOPTED BY RESOLUTION NO. 205-86, ON JULY 1, 1986, THAT PROVIDES FOR BASE YEAR DATA IS HEREBY DELETED FROM THE SCOPE OF SERVICES.

President King announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Louie H. Sherriffe, et al. v. Redevelopment Agency of the City and County of San Francisco, et al. There will also be a closed session on personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session on litigation and personnel. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

August 19, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
29TH DAY OF JULY 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:20 o'clock p.m. on the 29th day of July, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnette  
Charlotte Berk  
Haig G. Mardikian

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and the following were absent:

Dorman L. Commons  
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Representing the press were: Susan Deredevanis, Bay City News; Jim Kelly, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) At the meeting of July 22, the Commission held the item regarding an amendment with the Public Employee's Retirement System (PERS). There is a communication in the Commissioner's folders from Local 790, and the Executive Director is scheduled to meet with them. While additional information is being obtained, the item is being held off calendar.

NEW BUSINESS

- (a) Resolution No. 236-86 requests authorization of an Extension of 25 days to the Schedule of Performance in the Agreement with YBG Associates for Central Blocks Phase I and an additional 30

NEW BUSINESS (continued)

days to the Schedule of Performance for Central Blocks Phase II in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. This extension is in response to a request from the Developer and would apply to both the Agency and the Developer to extend all Phase I and Phase II dates in the Schedule of Performance, including design, conveyance and construction start and completion. The Phase I extension of 25 days includes the hotel parcel in CB-1 and CB-2 Phase II extension of 30 days includes the remaining YBC Central Blocks development. The delay permits additional time to accomplish the actions needed to accommodate the changes required by the proposed expansion of the George Moscone Convention Center and for conclusion of the hotel closing documentation.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-86 BE ADOPTED.

- (b) Resolution No. 237-86 requests authorization for Helen Sause, YBC Project Director, and James H. Wilson, Hunters Point/India Basin Projects Director, to travel to Chicago, Illinois to attend the NAHRO 1986 National Convention and Exhibition, September 28 - October 1, 1986.

Mr. Hamilton reported on item (b) as follows. Ms. Sause would attend in her capacity as the NAHRO National Senior Vice President. Mr. Wilson would attend as the Northern California Chapter Senior Vice President and as the Senior Vice President of the Pacific Southwest Regional Council Member Services Committee. Cost to the Agency, including Registration fees, air fare, hotel and per diem, will not exceed \$2,100.00.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-86 BE ADOPTED.

- (c) Resolution No. 238-86 requests authorization of a Discretionary Approval Process for the Executive Director, in consultation with the Agency's Risk Manager and General Counsel, to eliminate or modify current liability and/or errors and omissions insurance standards on a case-by-case basis for professionals who contract with the Agency.

Mr. Hamilton reported on item (c) as follows. The turmoil in the insurance industry both as to availability and exorbitant costs extends to both liability and errors and omissions coverage for professionals. The Agency deals with several kinds of professionals, including architects, engineers, auditors and attorneys. Traditionally, \$250,000 in errors and omissions coverage has been required and \$1 million each for bodily injury

NEW BUSINESS (continued)

and property damage or a combined single limit of \$2 million. Recently, as in the case of our YBC and A-2 architect consultants, the Commission has authorized elimination of the errors and omissions coverage standard because no actual building design services were being provided, plus general and automobile liability standards have been reduced or eliminated, depending upon the risk, availability of coverage and ability of the Contractor to pay the increased costs. In view of the foregoing, it is Staff's conclusion that the Agency will best be served by case-by-case evaluation of each professional's contract to determine the amount of errors and omissions insurance, and whether some alternative security would serve the purpose; such as a bond, a letter of credit, guarantee or the like. It is also Staff's conclusion that the \$1 million combined single limit for general and automobile liability coverage is adequate for most personal services contracts with the Agency. This amount is more common and easier to obtain in this market than the previous \$2 million standard. This coverage would be evaluated on a case-by-case basis to determine the amount of coverage appropriate to the risk by the Agency.

ADOPTION: IT WAS MOVED BY MR. ARNELLE; SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-86 BE ADOPTED.

- (d) Resolution No. 239-86 requests authorization to purchase a new Xerox 1090 copier to replace the current Xerox 9400 copier at the Agency's Central Office.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-86 BE ADOPTED.

- (e) Resolution No. 240-86 requests authorization to engage the firm of Warren's Waller Press for the printing and reproduction of the Program Activities Brochure at a cost not to exceed \$14,643.75.

Mr. Hamilton reported on item (e) as follows. The Program Activities Brochure is a pictorial and statistical report depicting the Redevelopment Agency's past and future program in the development of residential, commercial, industrial, institutional, and recreational facilities for the City of San Francisco. Completed projects and those under construction plus those slated for future development are included. The purpose of the brochure is to update and inform the reader of the Redevelopment Agency's activities and to convey its current redevelopment program. This brochure includes all work accomplished since January 1, 1983, and will be helpful in responding to inquiries about the Agency's past, present, and future activities. Printing estimates were solicited from three printers, with Warren's Waller Press submitting the low,

NEW BUSINESS (continued)

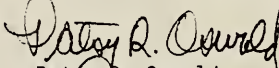
responsible estimate of \$14,643.75. The work involved includes off-set printing of the cover and 120 pages of text, assembly, binding, and delivery of 3,000 copies.

- . ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

August 19, 1986

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
5TH DAY OF AUGUST 1986

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of August, 1986, the place and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Walter S. Newman, Acting President  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

Leroy King, President  
H. Jesse Arnette

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Russell Matsumoto, representing Harold Iwamasa; Katherine Nash, Rainbow; Essie Collins, Community; Ocie Mae Rogers.

Representing the press were Gerald Adams, San Francisco Examiner, and Dan Borsuk, San Francisco Progress.

#### APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meetings of June 24, July 1, July 8, and July 15, 1986, as distributed by mail to the Commissioners, be approved.

#### REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) Due to lack of a quorum, occasioned by vacation travel, there will not be a regular Agency meeting August 12, 1986. The next regular meeting will be August 19, 1986.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in an Assignment of Interest for Parcels 726-A, 731-A, 749-C, 750-A and a portion of Ellis Street, Western Addition A-2.

Acting President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 232-86 requests authorization to Assign, Transfer all Right, Title and Interest from Fillmore Center Developers to Fillmore Center Associates in the LDA, as amended, for the parcels located between Fillmore, Steiner, Geary and Turk Streets, and a portion of Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. This item was continued from the meeting of July 22 at the developer's request. The developer is now requesting that this item be tabled as it is no longer needed.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-86 BE TABLED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Fifth Amendatory Agreement to the Land Disposition Agreement for Parcel 1100-T, Western Addition A-2.

Acting President Newman opened the public hearing to hear all persons interested in this matter.

Resolution No. 241-86 requests authorization of a Fifth Amendatory Agreement to the LDA with Nolan Frank for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition, which will revise the Performance Schedule and the Purchase Price.

Mr. Hamilton reported on item (a) as follows. In October, 1984 an LDA was authorized with Nolan Frank to develop this Parcel; the Developer proposes to construct 20 market rate residential condominiums and 1,200 gross square feet of retail commercial space. The original disposition price (\$173,400.00) expired on April 30, 1986, 18 months after execution of the LDA. The Second Amendatory Agreement dated October 8, 1985 contained price expiration and reappraisal procedures since the revised

NEW BUSINESS (continued)

performance date in that Amendatory Agreement resulted in a conveyance date beyond the price expiration date. The new price (\$214,000.00) has been accepted by the Developer. Mr. Frank and his architect, Gary Ng of Associated Architects, have requested a one month extension of the performance schedule as follows: Evidence of Financing from December 3, 1986 to January 28, 1987 and Conveyance of Site from January 7, 1987 to March 18, 1987.

There being no persons wishing to appear in connection with this matter, the Acting President declared the public hearing closed.

Mr. Lee inquired as to who had done the appraisal and Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that it was done by Mr. Rudolph Barker, who is one of the Agency's appraisers.

Mr. Mardikian arrived at this time, 4:12 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-86 BE ADOPTED.

- (b) Resolution No. 242-86 requests authorization of Amendments which increase as necessary the Aggregate Maximum Amounts not to exceed \$10,000, to certain previously authorized Personal Services Contracts for expert consultation and testimony in connection with pending litigation.

Mr. Hamilton reported on item (b) as follows. In April and May, 1986, personal services contracts were authorized with Keyser-Marston, Associates, Inc.; Lynn Sedway and Associates; Adamson Associates; Myron L. Flo of the Department of Housing and Urban Development; and Alvin Levitt of Steefel, Levitt & Weiss for expert consultation and testimony in Emeric-Goodman Associates vs. RACCSE, a San Francisco Superior Court action originally scheduled for trial on June 30, 1986. The total amount of the authorization was \$15,000. On May 27 the Agency General Counsel was authorized to adjust the amounts of the individual contracts as necessary due to different workloads for the contractors, with the total \$15,000 amount unchanged. The contractors were deposed and assisted in preparing for the June 30 scheduled trial, and the authorized contract amounts have been expended. A 15-day trial has been rescheduled for September 29, 1986 and a further and final settlement conference is scheduled for August 28. Counsel anticipates that the plaintiff, Emeric-Goodman Associates, will designate additional expert witnesses, whose reports will be reviewed by the Agency's witnesses. Counsel anticipates that an additional amount not to exceed \$10,000 in the aggregate, will be sufficient to cover the services of the Agency's expert witnesses through trial.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-86 BE ADOPTED.

- (c) Resolution No. 243-86 requests authorization of a Second Amendatory Agreement to the Rehabilitation LDA with Rody B. Leano, Developer, for the purchase and rehabilitation of 906 Steiner Street, Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In June 1985 an LDA was authorized with the Developer for purchase and rehabilitation of the subject property. In March 1986 the First Amendatory Agreement, revising the performance schedule of the LDA to provide additional time for the Developer to obtain financing for the project, was approved. The Developer submitted his evidence of financing within the time provided. However, the submittal was unsatisfactory as the funds shown to be available to the Developer are approximately \$50,000 less than the amount needed to purchase/rehabilitate the building. Based on previously approved rehabilitation plans, Staff had approved a submitted cost of \$227,000. The Developer was advised that he must either obtain staff approval of an alternative bid in the amount of \$180,000 or less from a licensed, bondable contractor, or provide evidence of additional financing to cover the cost previously approved. The Developer has requested an extension of 90 days to the Performance Schedule of the LDA to accomplish this. Mr. Leano's approved plans include additions which far exceed the Agency's requirements; thus Staff believes that his plans can be revised within the funds available, and therefore that an extension of time is appropriate. The Second Amendatory Agreement to the LDA will provide a revision to the dates of the Schedule of Performance as follows: Re-submission/Evidence of Financing no later than September 24, 1986 and Close of Escrow/Conveyance of Site no later than October 29, 1986.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-86 BE ADOPTED.

- (d) Resolution No. 244-86 requests authorization of a Second Amendatory Agreement to the Rehabilitation LDA with Fillmore/Golden Gate Partners, for the property located at 1300 Golden Gate Avenue/1101-23 Fillmore Street, Western Addition A-2. This amendment modifies the amount of the security deposit requirement of the LDA.

Mr. Hamilton reported on item (d) as follows. On December 18, 1984 an LDA was authorized with the Developer for the purchase and rehabilitation of the subject property. On August 12, 1985, the property was conveyed to the Developer upon payment of the purchase price of \$192,500.00. Rehabilitation of this thirty-one unit building with approximately 8,000 square feet of ground floor commercial space began shortly thereafter, and

NEW BUSINESS (continued)

is now currently about 85 percent complete. Pursuant to the requirement of the exclusive negotiations for this property, the Developer made a security deposit of \$25,000.00, which deposit is held by the Agency until after the work is completed. The Agency's usual practice regarding security deposits is to require developers to deposit five percent of the disposition parcel price, which in this case would have been only \$9,625.00. However, the \$25,000.00 deposit requirement was in accordance with the requirement of the initial public offering of this property in April 1983, to ensure timely performance of this difficult and questionable rehabilitation. The Developer has now requested that their deposit be reduced to \$9,625.00 as the rehabilitation is near completion, and Staff's opinion is that reducing the deposit is fair and reasonable. The funds will be used by the Developer for additional amenities to the building.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-86 BE ADOPTED.

- (e) Resolution No. 245-86 requests authorization to extend the time to November 5, 1986 for WDG-IV Sutter, Steiner and Roosevelt and Altheda K. Carrie to satisfy the conditions of two Resolutions conditionally approved on July 1, 1986 concerning the parcels 683-D(1) and 683-D(2) on the Southeast Corner of Sutter and Steiner Streets; Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. The two resolutions conditionally approved the Assignment of Interest and the LDA, upon certain conditions that were to occur within thirty (30) days of the adoption of the resolutions. On July 7, 1986 the Bankruptcy Court postponed until August 8, 1986 considerations of WDG-IV's payment plan and therefore did not approve the Assignment. The other conditions are delayed as a result, and it is difficult to determine when the Bankruptcy Court will render its decision. In view of this, Staff believes that WDG-IV Sutter/Steiner and Roosevelt and Altheda K. Carrie should be given an extension until November 5, 1986 to satisfy the conditions of the Resolutions approved on July 1, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-86 BE ADOPTED.

- (f) Resolution No. 246-86 requests authorization of a Second Amendatory Agreement to the Addendum with the Nihonmachi Community Development Corporation (NCDC) in connection with the development by Harold and Takako Iwamasa of the Parcel located on the northwest corner of Post and Buchanan Streets in the Western Addition Area A-2. The Second Amendatory Agreement will change the permitted uses of the parcel to allow a combination of office, retail commercial and a movie theater, or any of the forgoing uses singly.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (f) as follows. The parcel is located within the four block Nihonmachi area covered by the "Agreement Contemplating a Negotiated LDA" (Agreement) by and between the Agency and the Nihonmachi Community Development Corporation, of March 1968. This parcel was one of the three parcels included in an Addendum to the Agreement, dated July 21, 1970. The Addendum provided for the assignment of the parcel by the NCDC to Harold and Takako Iwamasa. Unlike LDA's today, neither the Agreement nor the Addendum state the permitted uses of the parcel. The original urban design plan contemplated a theater with commercial for this parcel and it was developed with such. The Japanese language theater (Kokusai Theater) which opened in 1971, closed in January, 1985, owing to inability to obtain new Japanese motion pictures. The negative cash flow of the theater operation has placed great economic stress on the viability of the Iwamasa Building. A recently approved proposal by American Multi Cinema to construct a movie theater complex in the former Kabuki Theater which may include Japanese films, further minimizes prospects for success of the Kokusai Theater. The Iwamasas have requested approval to convert the theater space into commercial office or retail space. The Western Addition A-2 land use designation for this site is Commercial, Community Shopping (CC). In addition to the use change, the Iwamasas propose to construct an elevator within the adjoining tower element. Although the land use designation for this site permits the use of the land for uses proposed, Staff believes that the proposed change is significant and requires approval. The NCDC and the newly-formed Japantown Development Association (JDA) have recommended the change. The NCDC is the umbrella developer of the four block Nihonmachi area. The JDA was formed in response to the Agency's recommendation to the Nihonmachi Community that a single organization be formed which would be advised of developments in the Japantown area, and if appropriate, provide its comments.

Mr. Commons inquired if the existence of this plan was well known in the Community and if there was any opposition to it. Mr. Gene Suttle, Project Director, Western Addition A-2, indicated that the plan is well known and there has been no opposition.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-86 BE ADOPTED.

- (g) Resolution No. 247-86 requests authorization of a Fifth Amending Agreement to the LDA with Rose Mary Rodriguez Najar for the development of parcel K-5 located at the southeast corner of Galvez Avenue and Newhall Street in the India Basin Industrial Park.

NEW BUSINESS (continued)

Mr. Hamilton reported on Item (g) as follows. The Fifth Amendatory Agreement extends the Conveyance of Site/Close of Escrow date from August 20 to September 24, 1986. The Developer is the owner of a Mexican Food Products Corporation and will be the sole tenant of the development. The company has occupied an 8000 square foot factory at 18th and Alabama Streets since 1963 and employs 42 persons, which exceeds the Agency's goal for India Basin jobs of not less than 20 jobs per acre, by 27 jobs. The Developer anticipates a 50% increase in employment upon completion of the new facility and intends to extend employment preference to community residents. The Developer proposes a 14,000 square foot building with 24 parking spaces, loading and landscaped areas on this 32,547 square foot site. The Fourth Amendatory Agreement revised the land price to \$146,500.00, and revised the performance schedule to allow time for the Developer to obtain a building permit and to conclude financing arrangements. The building permit has now been issued and although SBA processing is now complete, time is needed by the Developer to conclude those arrangements and for the Agency to review and approve the Developer's general contractor's affirmative action program. To provide for unforeseen delays, Staff recommends that the Conveyance of Site/Close of Escrow date be extended to September 24, 1986.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-86 BE ADOPTED.

- (h) Resolution No. 248-86 requests authorization to extend Exclusive Negotiations with Alvin Dworman DBA S.F. Development Co. for development of parcel 3751-Q located on the Southwest Corner of Third and Folsom Streets, Yerba Buena Center.

Mr. Hamilton reported on item (h) as follows. Schematic Design Drawings for the S.F. Development Co.'s proposal were conditionally approved July 15, 1986. It was indicated then that additional time would be necessary to complete negotiations, finalize the LDA document and publish the Notice of Public Hearing. The Developer has requested additional time and it is anticipated that these items can be completed by October 8, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-86 BE ADOPTED.

- (i) Resolution No. 249-86 requests authorization of a Fourth Amendment to the Personal Services Contract with Spear Street Advisors, Inc. for economic analysis of development in Yerba Buena Center.

Mr. Hamilton reported on item (i) as follows. Spear Street Advisors, Inc., formerly Ramseyer, Zerbst and Company, Inc., has been assisting the Agency in the Rincon Point-South Beach

NEW BUSINESS (continued)

project since April 1983. They have provided economic analysis services with developers associated primarily with the production of housing units for low- and moderate-income households for RP-SB in a satisfactory manner. Their services will also be needed for development proposals for the peripheral blocks of YBC. Their assistance will be needed in negotiations with developers in YBC, which includes approximately 200 units on Site 9, currently under exclusive negotiation rights with S.F. Development Corporation, evaluation of TODCO's financing plan for Mendelsohn House, and the potential development of 300-500 units on EB-2. The Fourth Amendment to Spear Street Advisors Inc.'s contract to include YBC would add \$25,000, which increases the amount payable thereunder to \$105,000.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-86 BE ADOPTED.

- (j) Resolution No. 250-86 requests authorization of travel and seminar registration fees for Demetrio C. Salvador, Chief of Engineering and Rehabilitation, to travel to Las Vegas, Nevada, to attend a seminar on "Construction Management and the Project", September 11-12, 1986.

Mr. Hamilton reported on item (j) as follows. The seminar will generally cover the various aspects of Construction Management, from its beginnings through its current role as an alternative to the traditional construction contracting format. One of Mr. Salvador's principal duties is to supervise the administration of construction contracts, particularly those where the Agency acts as owner/developer. Staff believes that the knowledge to be gained from exposure to this seminar could result in a more efficient discharge of his duties and would therefore be beneficial to the Agency. Total cost including registration fee, airfare and hotel accommodations will not exceed \$970.00.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-86 BE ADOPTED.

- (k) Resolution No. 251-86 requests authorization of a First Amendment (which extends the Deadline Date) to the Reacquisition Agreement and Amendment No. 1 to the LDA with Western Commercial Partnership I (Developer) in connection with the sale of ECR Parcel 3A (Parcel 708-B) located on the south side of Geary Boulevard between Fillmore and Webster Streets, Western Addition A-2.

Mr. Hamilton reported on item (k) as follows. Extension of the Deadline date in the Reacquisition Agreement will allow the Developer additional time to satisfy certain conditions subsequent to conveyance and will extend the Agency's right to re-enter and take possession of the Site as provided in the Reacquisition Agreement. As an accommodation to the Developer

NEW BUSINESS (continued)

and to prevent the loss of bond financing, the Agency entered into the Reacquisition Agreement which permitted conveyance of the Site before the Developer satisfied all pre-conveyance requirements. The Site was conveyed to the Developer on December 17, 1985. The Reacquisition Agreement provides that certain conditions subsequent must be accomplished by the Developer on or before August 15, 1986 (the "Deadline Date"). The Reacquisition Agreement provides that the Developer's failure to meet the conditions on or before August 15, 1986, would constitute a default under the LDA. Upon such a default the Site would be reconveyed to the Agency free of any security interest; Mercury Savings and Loan's deed of trust would be reconveyed to remove it from the Site; the Bond Regulatory Agreement would be terminated and removed from the Site; and the Agency would return the purchase price to the Developer subject to certain conditions. Upon reviewing the existing schematic drawings, the Developer's architect, ED2, has identified various design scope changes which have necessitated the re-evaluation of construction costs, and all participating contractors have requested the opportunity to generate a new cost estimate based on new drawings prepared by ED2, to re-affirm or adjust their proposed guaranteed maximum price. The Developer concurred with the contractors' request. Selection of new architects, design changes, and preparation of new cost estimates by the contractor were time-consuming. Also, the approval and issuance of the site permit is beyond the Developer's control, therefore the Developer has requested an extension of the Deadline Date. Also, authorization is requested for the Executive Director to further amend the Reacquisition Agreement to extend the Deadline Date, consistent with Commission policy, if deemed appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-86 BE ADOPTED.

Ms. Berk inquired if the request was for the Executive Director to have authority to extend the deadline date. Mr. Hamilton indicated affirmatively, as long as it is not outside the scope of what has been presented today. If there is anything outside the scope of the matters presented today, then it would have to be brought back to the Commission.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 252-86 requests authorization to execute Dual Obligatee Riders to the performance and labor and material bonds required to be provided by YBC Associates in connection with a Permit to Enter granted to it by the Agency.

MATTERS NOT APPERING ON AGENDA (continued)

Mr. Hamilton reported on item (a) as follows. In April of this year a Permit to Enter with YBG Associates was authorized to permit its entry onto Agency-owned property in the Center Blocks for the purpose of conducting various pre-construction activities relating to the development of the Marriott Hotel and of constructing a temporary vehicular turn-around due to the closure of Stevenson Street. Since the developer will perform construction activities under this Permit, its terms require the Developer to obtain 100% performance and labor and material bonds naming itself and the Agency as obligees, that is, as the parties to whom the bond obligations are owed. The developer has hired the Stacon Corporation to undertake the work to be done under the Permit and has previously received from it bonds naming the Developer as obligee. The Developer has obtained Stacon's agreement to extend coverage to the Agency as obligee under the existing bonds through a document entitled "Dual Obligee Rider"; however, in order to make these Riders legally effective, it is necessary for them to also be executed by the Agency. By execution of the Dual Obligee Riders, the Agency will be added as an additional obligee on the existing bonds subject to certain conditions. The only significant condition is that the Surety, Aetna Casualty and Surety Company, shall not be liable to the Agency or the Developer under the bonds unless the Developer makes payment to Stacon Corporation in accordance with the contract between them. We have been advised by both the Agency's Risk Management Consultant and by our current insurance carrier, Curtis Day & Co., that this condition is standard in the bonding industry. However, in order to minimize the risk that this condition will result in loss of the protection afforded by the bonds, the Agency has received specific written assurance from the Developer that it will make all payments and perform all of its obligations under its contract with Stacon.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-86 BE ADOPTED.

Acting President Newman announced that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Ernie Lowe & Sons Construction Company v. Redevelopment Agency of the City and County of San Francisco; and further that Agency General Counsel had also requested a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco.

Acting President Newman announced that at this time the meeting would adjourn to a closed session on two litigation matters after which the meeting would reconvene in the fourth floor conference room to take up item (1) on the Workshop.

MATTERS NOT APPERING ON AGENDA (continued)

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:45 p.m.

RECONVENED

At this time the meeting reconvened back to the regular meeting in the fourth floor conference room, 5:00 p.m., with the same roll call.

NEW BUSINESS

- (1) Workshop. The purpose of this workshop is to present a report by McKinsey & Company, Inc. relative to the expansion of the Moscone Convention Center in Yerba Buena Center.

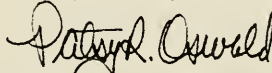
Mr. Don Waters, Vice President and Mr. Alan Sussna of McKinsey and Company made the presentation of their report.

At this time, Acting President Newman turned the Chair over to Mr. Lee and left the meeting, 5:45 p.m.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:15 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

August 19, 1986



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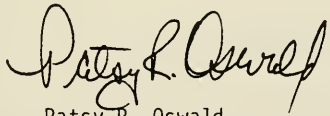
[Minutes]

NOTICE OF ADJOURNED MEETING

OF THE

SAN FRANCISCO REDEVELOPMENT AGENCY

PURSUANT to the provisions of Government Code Section 54955, the regular meeting of the San Francisco Redevelopment Agency convened at 4:00 p.m. on August 13, 1985 was adjourned due to lack of a quorum to August 20, 1985 at 4:00 p.m. at 939 Ellis Street, seventh floor, San Francisco, California.



Patsy R. Oswald  
Agency Secretary

August 13, 1985

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
19TH DAY OF AUGUST 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of August, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
H. Jesse Arnette  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President  
Charlotte Berk  
Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Dexter Woods, The Woods Group; Ocie Rogers; Joseph Coomes, McDonough, Holland & Allen; Ted Steefel, Steefel, Levitt & Weiss; George Remsberg, SBMA, Ltd.; Marty Coren, Katz, Hollis, Coren & Assoc.; Karen Friedman, Combs and Greenley.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Arnette, and unanimously carried that the minutes of the Regular Meeting of July 22, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnette, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of July 29, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting of August 5, 1986, as distributed by mail to the Commissioners, be approved.

## REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) On today's Board of Supervisors' Planning, Housing and Development Committee agenda is a resolution urging the San Francisco Redevelopment Agency to terminate immediately its disposition and development agreement with YBG Associates. Supervisor Kopp introduced this item and the matter was continued at his request for thirty days in order to allow time for additional development of information.
- (b) The Agency's newest employee and also the Agency's first Harbor-master for the South Beach Harbor, is Mr. H. Carter Strauch. Mr. Strauch was the Harbormaster at Richmond Marina and was selected out of 35 applicants for this position. Staff is confident that Mr. Strauch will serve the Agency well as the Harbormaster, and welcomes him aboard.

## NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Statement of Existing Obligations and Statement of Existing Programs; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution Nos. 252-86 and 253-86 request adoption of Statements of Existing Obligations and Existing Programs regarding the Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. Recently, the California Community Redevelopment Law was amended to require that within redevelopment plans adopted prior to January 1, 1977, such as YBC, not less than 20% of all tax increments allocated in any given year be set aside for low and moderate income housing unless either or both of the following findings are adopted by September 1, 1986: (1) payments under existing obligations created prior to January 1, 1986, and/or (2) that the orderly and timely completion of public and private projects, programs or activities approved prior to January 1, 1986 require the Agency to deposit not less than 20% of the tax increment into its Low and Moderate Income Housing Fund for that year. The proposed statements indicate that to the extent that other funds are not available the tax increment funds generated from YBC will be utilized to (1) make payments on \$28 million principal amount of bonds sold by the Agency in August 1983; and (2) to complete existing programs, approved prior to January 1, 1986, which consist of certain infrastructure improvements, construction of cultural buildings and other activities defined in the Disposition and Development Agreement with YBG Associates. Also, by adopting the subject statements you will not be making a

NEW BUSINESS (continued)

determination that less than 20% of the tax allocations from YBC will be used for low and moderate income housing, but that the present action merely fulfills a necessary prerequisite for such determinations in the future. For those years in which tax increment funds are not required to satisfy this existing obligation, or to complete those programs, the 20% of such funds will be set-aside for the provision of low and moderate income housing. In order to justify less than the 20% set-aside, findings related to the necessity of making payments on existing obligations can continue for the life of the debt; however, findings related to completing these existing programs can only be used for those purposes through 1996.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Lee arrived at this time, 4:10 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MAR-DIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MAR-DIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-86 BE ADOPTED.

- (b) Resolution NO. 269-86 requests authorization for the Executive Director to execute performance and labor and material bonds, and related documents on behalf of the Agency, for All Approved Redevelopment Project Areas.

Mr. Hamilton reported on item (b) as follows. The Commission allows developers to enter upon Agency-owned property by approving a permit to enter, lease, etc.; which require that the Agency be provided with sufficient performance and/or labor and material bonds to ensure that it does not incur any costs for uppaid or unfinished work. Also, it is often required as a condition of the effectiveness of these bonds that either the bonds themselves, or related documents such as "riders" which add additional terms and/or parties, be executed by the Agency, which you recently authorized for YBG Associates as Dual Obligatees Riders. It is anticipated there will be numerous other instances of this type not only with YBG Associates, but other developers as well. Your approval of the subject resolution will permit the Executive Director to execute routine bonding documents without the necessity of specific Commission action on individual items.

Mr. Commons indicated that, although he had no objection to this item, he inquired why this particular resolution, or one similar to it, had not been passed by the Commission before. David Oster, Assistant Agency Counsel, indicated that there had been a need for such bond execution in the past, but only in connection with

NEW BUSINESS (continued)

the rehabilitation loan program where it was authorized by the program documents. Also, there have not been many instances in the past of the lease of property, but now the Agency is anticipating entering into more leases.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-86 BE ADOPTED.

- (c) Resolution No. 255-86 requests authorization of a Second Amendatory Agreement to the LDA with Sunwrights Multinational, Inc. (Developer), for the purchase and rehabilitation of 1622 Laguna Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In July 1985 an LDA was authorized with the Developer for this two-story Victorian building constructed in 1875 as a single family dwelling. On April 22, 1986, a First Amendatory Agreement was approved which revised the performance schedule of the LDA to provide additional time for the Developer to obtain construction financing. The Developer was unable to do so by the revised date of performance and was placed in default on July 28, 1986, and given a 30-day period to cure the default. On August 11, 1986, Developer submitted evidence of equity capital. However, it was unsatisfactory as there is insufficient evidence of a construction financing commitment. Subsequently, the only lender with interest in making a construction loan is Sacramento Savings & Loan, and six weeks is necessary to obtain an appraisal and complete processing of the loan. The Developer has requested a 90-day extension to the Performance Schedule of the LDA for Submission/evidence of Financing by October 22 and Close of Escrow/Conveyance of Site by December 31, 1986.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-86 BE ADOPTED.

- (d) Resolution No. 256-86 requests authorization of a Second Amendatory Agreement to the Rehabilitation LDA with The Woods Group for the purchase and rehabilitation of 1339-1341 Pierce Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. In August 1985 an LDA was authorized with the Developer for the purchase of the site, and in May 1986 a First Amendatory Agreement which revised the performance schedule of the LDA to provide additional time for the Developer to obtain financing was approved. The Developer failed to provide evidence of financing and on July 1, 1986, was placed in default. In response, the Developer has requested an extension to the performance schedule by reason of a change in the mortgage company chosen to complete processing the loan application. A letter received August 6 from the new mortgage company confirms they have reviewed and are interested in arranging construction and permanent financing for the project

NEW BUSINESS (continued)

and staff is hopeful of their success. The Second Amendatory Agreement to the LDA will provide a revision to the dates of the Schedule of Performance as follows: Submission of Evidence of financing no later than October 22, 1986, and conveyance of the site no later than January 21, 1987.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-86 BE ADOPTED.

- (e) Resolution No. 257-86 requests authorization of a Fourth Amendment to the Disposition and Development Agreement (DDA) with YBG Associates (Developer) in connection with the conveyance of the leasehold estate to the Hotel Parcels in Central Blocks 1 and 2 in Yerba Buena Center.

Mr. Hamilton indicated that this is the first of a number of items that will deal with YBC related issues, the resolutions for which have been, for clarifying reasons, slightly modified. Leo Borregard, Agency General Counsel, will indicate to the Commission the changes in the resolution for item (e) and, while he is at it, simply note the other changes that relate to resolutions which are yet to be considered. Mr. Borregard then described the changes to resolutions No. 257-86 through and including resolution No. 262-86.

Mr. Hamilton reported on item (e) as follows. The principal effect of your actions will be to approve changes in existing documents necessary to implement your prior authorization to execute the Hotel Lease and conveyance of the leasehold estates in the CB-1 and CB-2 Hotel Parcels to the Developer. The Developer anticipates an immediate start of construction. With regard to the proposed expansion of the Convention Center, the Agency and the Developer will undertake mutual efforts, some involving the City, to attempt to accommodate the proposed Convention Center Expansion in the YBG program. Only if these mutual efforts are successful and result in subsequent agreements and the Agency's conditions are satisfied, will YBG be modified to accommodate the Convention Center expansion. Mr. Joseph Coomes, McDonough, Holland & Allen, described the Amendment and its provisions and presented the background of the hotel conveyance. The Commissioners expressed concern regarding how various outstanding issues, particularly parking, could be resolved should the voters approve the expansion. Mr. Coomes indicated that failure to reach agreement between the Agency and the Developer, or the expansion not being approved by the voters, would result in the development of Yerba Buena Gardens proceeding as originally contemplated by the DDA.

Mr. Hamilton noted that the developer had made every effort to cooperate with the City with regard to the proposed expansion program. In addition, there had been ongoing discussions with the Chief Administrative Officer who had been advised of the priority required to resolve the parking issue.

NEW BUSINESS (continued)

A discussion ensued between the Commissioners, Mr. Coomes and Mr. Hamilton and a tape recording of the full discussion is on file with the Agency Secretary. Mr. Hamilton read the ballot proposition into the record as follows:

"Resolved that the Board of Supervisors, acting pursuant to Charter Section VII.309, hereby submits to the electorate of the City and County of San Francisco, the following Proposition: Shall the City construct additions to the George R. Moscone Convention Center which in the determination of the San Francisco Redevelopment Agency prior to the issuance of any Lease Revenue Bonds hereunder does not materially affect the above ground elements of the existing Yerba Buena Gardens Disposition and Development Agreement and is substantially underground as determined by the Chief Administrative Officer with above ground meeting rooms on the blocks between Third and Fourth and Mission and Folsom Streets, to be financed by Lease Revenue Bonds issued by the San Francisco Redevelopment Agency in a principal amount not to exceed one hundred and forty million dollars with the lease payments to be made from the general fund which will be reimbursed from hotel tax revenues."

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-86 BE ADOPTED.

- (f) Resolution No. 258-86 requests authorization to execute miscellaneous "closing" documents in connection with the leasing of the Hotel Parcels to YBG Associates, Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. The Agency lease of the Hotel Parcels to YBG Associates for the development of the Marriott Hotel is expected to close escrow on or before August 26, 1986. It is often required in connection with such transactions, that the parties execute various certificates, instructions and other closing documents, which are not of a substantive nature, but rather are ancillary to the transaction and necessary for its implementation. The Executive Director, with the advice and counsel of Agency General Counsel, will be authorized to execute such documents and to take such other actions as are necessary to carry out the leasing transaction.

Mr. Ted Steefel, Steefel, Levitt & Weiss, explained the nature of the "closing" documents to be executed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-86 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 259-86 requests approval of the Preliminary Construction documents for YBG Associates in connection with pedestrian and vehicular exiting and access for the Marriott Hotel development on CB-2 in Yerba Buena Center and selection of the hotel materials.

Mr. Hamilton reported on item (g) as follows. The original schedule of performance anticipated that the design of the access points for the CB-2 subsurface ballroom would have proceeded concurrently with the hotel so that the impact of these exits could be evaluated on the surface uses. However, Phase 2 schedule has slipped as a result of the uncertainty caused by the proposed expansion of the George Moscone Convention Center. Therefore, staff has worked with the architects to determine placement of the access and exits to minimize their impact to the maximum extent. The access needs for the hotel ballroom are nine exits of approximately 14 feet each. Staff believes that the placement of each of these as now recommended by the Developer (and the retail operator, Rouse) is acceptable. With regard to the truck ramp, the resolution accepted by staff includes Developer assurance of covering the ramp when alternate access is provided for trucks and automobiles under Phase 2.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-86 BE ADOPTED.

- (h) Resolution No. 260-86 requests authorization of a Permit to Enter to YBG Associates making certain Agency land available to YBG Associates for construction and related purposes after the leasing of the Hotel Parcels.

Mr. Hamilton reported on item (h) as follows. Under an existing Permit to Enter, YBG Associates have been given the right to do certain work preliminary to hotel construction. This land is on Central Block-1 and consists of three parcels: East Parcel-1 immediately east of the Hotel Site; East Parcel-2 at the west end of the existing Stevenson Street; and a small parcel to the east of St. Patrick's Church on which a ramp provides access to the rear of the Church from Mission Street. Rather than continuing to amend the old Permit, it was determined that it would facilitate administration of the Permit to place all of the proposed permitted activities into a single document; thus the new Permit which will expand activities permitted on East Parcel-1 to include construction mobilization and temporary shoring and underpinning, including penetration into the subsurface of East Parcel-1 with tie-backs. This Permit will also provide for maintenance by the Developer of the temporary turn-around on East Parcel-2 and the ramp, and a 10-foot strip, leading to the ramp, on East Parcel-3. The Developer will continue to pay the loss of parking revenues for East Parcels-1 and 2, and for the loss of parking revenues occasioned by any Central Block-2 use. Entry on Central Block-1 parcels will be

NEW BUSINESS (continued)

permitted at any time after the Hotel Lease has been recorded and the insurance and bonds have been provided. On Central Block-2, the Agency will continue to use the surface for parking until a forty-five day notice has been received from the developer that it wishes to enter to commence construction. The Agency would then give the parking operator a 30-day notice of vacate. A similar 45 day notice is required for the Detour Parcel. Work may commence thereafter on any parcel when all required governmental clearances and Agency consents relating to particular work have been obtained. The Permit will be assignable to the Hotel Lessee, if and when the Hotel Lease is assigned. In such event, the Hotel Tenant will assume YBG Associates' Permit obligations.

Mr. Borregard noted that it is proposed to change this resolution to include authorization for the Executive Director to allow the tie-backs to remain in the permit areas after other required restoration, if deemed appropriate.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-86 BE ADOPTED.

- (i) Resolution No. 261-86 requests authorization of a Shoring and Underpinning Agreement between the Agency, YBG Associates (Developer) and the Roman Catholic Archbishop of San Francisco, pertaining to the construction of the Yerba Buena Gardens hotel on Central Block-1.

Mr. Hamilton reported on item (i) as follows. The Archbishop has requested a contractual arrangement with the Developer as lessee and the Agency as landowner relative to the excavation and underpinning work for the hotel construction on CB-1 land to the West and adjacent to the Saint Patrick's Church parcel which fronts on Mission Street. While law does not mandate such an agreement, the excavation work will be facilitated by arrangements with the Archbishop which will permit tie-backs and/or underpinning to protect the church parcel. The Agreement also provides for indemnity of the Archbishop; insurance; review of the Developer's shoring and underpinning plan; surveying the existing church structures; dust control and related matters. The Agency is an appropriate party as landowner. The Developer in the Fourth Amendment to the DDA will indemnify the Agency with respect to all work performed by the Developer as well as against any call upon the Agency under the indemnity, and will provide and maintain the necessary insurance. If and when the Hotel Lease and the DDA Phase I obligations are assigned by the Developer to the ultimate Hotel Tenant, the obligations under the Shoring and Underpinning Agreement will be assigned with the Hotel Tenant assuming the primary responsibility while the Developer also remains responsible.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 261-86 BE ADOPTED.

NEW BUSINESS (continued)

- (j) Resolution No. 262-86 requests authorization to Negotiate and Execute an Amendment to a Light and Air Easement pertaining to the Humboldt Bank Building and the proposed Hotel in Central Block 1 in Yerba Buena Center.

Mr. Hamilton reported on item (j) as follows. The proposed amendment would be between the Agency as owner of the Humboldt Bank Building, and will permit changes in material and color requirements of the building walls in a ten foot area. Staff considers that agreement can be reached on a satisfactory easement amendment since such an amendment would be to the mutual benefit of the Agency and General Atlantic Corporation.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-86 BE ADOPTED.

- (k) Resolution No. 263-86 requests authorization of an Indemnification Agreement and of a Certificate in connection with the Waiver of Earthquake Insurance for the Moscone Convention Center in Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. The Bond Resolution which provided for the issuance of the Agency's Lease Revenue Bonds in the amount of \$97 million to finance the Moscone Convention Center contains an Agency covenant that it will cause to be maintained all insurance required of the City under the Project Lease. The Project Lease between the Agency and the City for the Center requires the City, as Lessee, to maintain certain insurance coverage, including earthquake insurance. However, this requirement is qualified by a statement that it need be maintained only, in the sole discretion of the Trustee, Security Pacific National Bank, if it is obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies. Many types of coverage are either unavailable or unduly costly, which is particularly true of earthquake insurance. In view of this, the City has required that the Trustee exercise its discretion to not require earthquake insurance for the Convention Center which is not cost effective by reason of the height deductible amounts required. The Trustee has exercised its discretion for the period commencing on June 1, 1986, and extending through May 31, 1987 or such earlier time as such insurance is determined to be cost effective. In connection with its exercise of such discretion, the Trustee has requested the City and the Agency to provide it with a Certificate and to enter into an Indemnification Agreement providing for the indemnification of the Trustee in its exercise of such discretion.

Mr. Commons inquired if the City is insuring the Agency. Mr. Borregard replied affirmatively and noted that the Board of Supervisors had passed an Ordinance indemnifying the Agency.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND CARRIED, WITH MR. ARNELLE DISSENTING, THAT RESOLUTION NO. 263-86 BE ADOPTED.

- (1) Resolution No. 264-86 requests authorization of a Letter Agreement with Pacific Bell for the furnishing and installation of telephone conduits and related structures for Contract I-HARBOR, Rincon Point-South Beach Project Area.

Mr. Hamilton reported on item (1) as follows. Contract I-HARBOR, in the base amount of \$10,990,000, provides for demolition, dredging, construction of pre-cast concrete sheet pile breakwaters, a pre-cast concrete floating dock system with utility services and related incidental work to provide approximately 700 berths for small boats in South Beach Harbor. The agreement provides for Riedel International, Inc. (Agency's Contractor) to furnish and install approximately 2,000 linear feet of 4-inch telephone type C plastic conduit including trenching, back-filling, and pavement restoration. This agreement is necessary to provide telephone services to the Harbor; Pacific Bell will run their cables through the installed conduits to provide the services contemplated. The Agreement also provides that Pacific Bell will reimburse the Agency the full cost of the work in the amount of \$11,960, and that the conduit structure and associated materials shall be owned, operated and maintained by Pacific Bell as part of its total system.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-86 BE ADOPTED.

- (m) Resolution No. 265-86 requests authorization of a First Amendment to the marketing services contract with Michele St. Pierre to extend the time of performance for one year until September 3, 1987, and to increase the amount of the contract by \$49,135 to a total of \$159,135.

Mr. Hamilton reported on item (m) as follows. Construction of the first phase of South Beach Harbor began in December 1984 and consists of the removal of Piers 42, 44, 46A and the construction of a breakwater, 683 berths and temporary parking and landscaping. Completion is scheduled for October 1986. A marketing effort to identify our target market and get as many berth reservations prior to harbor opening as possible, was approved in April, 1985 and a contract with Michele St. Pierre for marketing consulting services in the amount of \$110,000 was to provide services through June 1986. Preparations for and opening day activities were not included in the original contract, and this proposed amendment would cover marketing consultant services and expenses to prepare for and conduct opening day activities and the first year of operation. The marketing effort to date without a completed facility has given us a 52 percent berth reservation level. The goal is to raise the level to 60 percent

NEW BUSINESS (continued)

by the harbor opening event and to 90 percent by September 1987. A day-long opening day event tentatively scheduled for November 8 or 15 will include dedication by the Mayor, a yacht race and other plans. The program following the opening day event will be sufficient to ensure a continued awareness of the Harbor. Funds for this first amendment are within the \$180,000 development period marketing budget for the first phase development designated for the Harbor Project.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-86 BE ADOPTED.

- (n) Resolution No. 266-86 requests approval of the Exterior Wall Design for Rincon Center, Block 3716, Lot 1, bounded by Mission, Steuart, Howard and Spear Streets in the Rincon Point-South Beach.

Mr. Hamilton reported that staff, at the concurrence of the developer, is requesting that this item be continued until recalendared by the Executive Director.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (n) would be continued at staff request. There being no such objection, it was so ordered.

President King indicated that the meeting would be recessed to the fourth floor conference room for items (o), (p) and (q). The meeting recessed at 5:40 p.m. The meeting reconvened at 5:45 p.m. with the same roll call.

- (o) Resolution No. 267-86 requests conditional approval of the Preliminary Construction Documents for the proposed development (Phases I and II) of the parcel located on Block 3774, Lots 2, 3 and 4, bounded by Beale, Brannan, Bryant and First Streets, by Bayside Village Associates in the Rincon Point-South Beach Redevelopment Area.

Mr. Hamilton reported on item (o) as follows. In November 1985 an OPA was conditionally approved with South Beach Investments, Inc. and Forest City Bayside Corp., (now Bayside Village Associates). A Concept Design for an approximately 842 rental development was also conditionally approved. Fisher-Friedman, architects for the developer, then proceeded with the schematic design with the conditions outlined by Agency staff. The Schematic Drawings for approximately 855 units were conditionally approved in June 1986. Since that time, the Developer has done extensive redesign work in preparing the Preliminary Construction Documents and are now seeking approval for Phases I and II. The proposed development is to be built on the 7.9 acre site and consists of approximately 866 dwelling units and 11,340 gross square feet of ground floor commercial space. The project will be built out in three phases. Phase I, fronting on Brannan Street will consist of 281 units, a recreation building and

NEW BUSINESS (continued)

commercial. Phase II, fronting on Beale Street will be similar to the description of Phase I. Phase III, fronting on Bryant Street and First Street will consist of 304 units and a health club for use by residents. Parking will be provided, on a one-for-one basis.

Walter Yanagita, staff architect, described the design and noted staff's design concerns, which are expected to be satisfactorily addressed during the Final Construction Document phase.

The Commissioners noted their concerns about the lack of color variation between the buildings and Mr. Yanagita indicated that the architect has been requested to take a second look at the colors with the assistance of a design color consultant.

Mr. Commons noted his concern about the enormous amount of roof area and indicated that there should be a roof plan to either utilize the space for the residents or break up the space to make it architecturally acceptable. Mr. Yanagita indicated that they had discussed with the architect and the developer the possibility of using some areas for the benefit of the residents at the roof level. This is something that will be explored in the Final Construction Document phase.

Mr. Lee suggested that the developer and architect look at St. Francis Place in Yerba Buena Center as a massive development that was successfully broken up by using various colors.

Mr. Arnelle noted that the development had improved from his last viewing of it; however, he was still concerned with the massiveness, quality and style of the building.

Mr. Yanagita indicated that he believed that the Commissioners' concerns could be satisfactorily addressed during the Final Construction Document phase and that when the buildings were actually constructed they would start to relate to them as small neighborhoods and that each neighborhood would have its own specialness.

**ADOPTION:** IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MAR-DIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-86 BE ADOPTED.

- (p) Resolution No. 268-86 requests conditional approval of Preliminary Construction Documents for development of Block 3789, Lots 26 and 27, located on the north side of Townsend Street between Colin P. Kelly, Jr. and First Streets) by SBMA, Ltd., Rincon Point-South Beach Project Area.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (p) as follows. In November 1985 an OPA with Richard J. Nathan for development of said parcel was conditionally approved. A Concept Design for a 414 unit rental development was also conditionally approved. In December 1985 a revised OPA was approved with SBMA, Ltd., to implement the proposed development. Schematic Drawings were conditionally approved in May 1986; the outstanding design concerns were to be resolved during the Preliminary Construction Documents design phase. The proposed development consists of 411 dwelling units and 7,879 gross square feet of ground floor commercial space. It will include two buildings of 14 and 13 stories and two four-story structures. The development will take advantage of the 15% height and density bonus permitted in the Owner Participation Rules for the Project. Parking will be provided in a separate five-story structure located at the rear of the site on Colin P. Kelly, Jr. Street. A portion of the roof of the garage will be used for recreational activities.

Walter Yanagita, staff architect, described the design and noted staff's design concerns, which are expected to be satisfactorily addressed during the Final Construction Document phase.

George Remsberg, SBMA Ltd., noted that the lender for this development did not approve further encumbering the property by having a joint use driveway for this development and that of the Oriental Warehouse and though he noted a willingness to explore this further, he could not agree to accept this as a condition that an agreement must be reached, as he did not know if agreement could be reached.

The Commission expressed concern regarding the issue of the joint driveway and it was believed it would enhance the development and indicated that the developer should invite the lender to meet with the Commissioners in order to explore the lender's concerns. The Commission also noted concern about the design of the garage and suggested more landscaping would enhance the looks of the garage.

Mr. Mardikian left the meeting at this time, 6:40 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-86 BE ADOPTED.

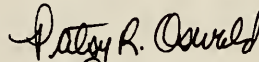
- (q) Mr. Hamilton reported that the purpose of this workshop is for the Agency's consultants, Katz Hollis Coren and Associates, Inc., to make an interim report to the Commission on their evaluation of using tax increment financing as a means to finance existing and future Redevelopment Project Activities.

Mr. Marty Coren, a principal with Katz Hollis Coren made the presentation, and noted it is anticipated that the final report will be completed by mid-September.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 7:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Patsy R. Oswald". The signature is written in dark ink and is positioned above the printed name.

Patsy R. Oswald  
Agency Secretary

APPROVED

December 9, 1986

SF  
R35  
#4  
8/26/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
26TH DAY OF AUGUST 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of August, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
H. Jesse Arnelle  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

Walter S. Newman, Vice President  
Charlotte Berk

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Noni Richen; Kevin R. Hardiman, Pacific Bell; Ocie Rogers; Arnold Townsend and Harold F. Wong, WCPI; Essie Collins; Bill Rumpf, Catholic Social Service; Richard M. Holliday, Vice President, BRIDGE.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of July 7, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session Meeting of June 24, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session Meeting of July 1, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Closed Session Meeting of July 22, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnette, and unanimously carried that the minutes of the Closed Session Meeting of July 29, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnette, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session Meeting of August 5, 1986, as distributed by mail to the Commissioners, be approved.

#### REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Robin Paige Donoghue, Senior Attorney in the Agency's Legal Division, is currently the President of the California Young Lawyers Association. Congratulations are in order to Ms. Donoghue as she has recently been elected by the Association as its representative on the Board of Governors of the State Bar of California, where she will serve a one-year term beginning this September.
- (b) The San Francisco Urban Fair will be held September 4-7 at Fort Mason. The Agency will have a booth in the City Section and this year the focus will be on Housing and the South Beach Harbor.
- (c) The Board of Supervisors, at their meeting August 25, 1986, passed on the motion that authorized a ballot argument favoring Proposition "B", which is the proposition that will go before the voters in November regarding the expansion of the George R. Moscone Convention Center.
- (d) Mr. Hamilton is not at this meeting as he is involved in the signing of documents to effectuate the closing the the Hotel site in Yerba Buena Center. An enormous amount of work has gone into this significant event and those involved are to be commended in completing this phase so that construction of the Hotel can commence.
- (e) The Agency's office will be closed September 1 in observance of Labor Day.

#### NEW BUSINESS

- (a) Resolution No. 270-86 requests authorization of Re-entry into Exclusive Negotiations, until October 22, 1986, with BRIDGE Housing Corporation (BRIDGE) for Solomon Village located adjacent to and northeasterly of Mariners Village in the vicinity of the Hunters Point Project Area.

Mr. Kernan reported on item (a) as follows. In December 1984 an LDA was authorized for the construction of sixty-eight condominiums for low and moderate income households. However, because BRIDGE was unable to proceed with the project within

eighteen months, the LDA terminated in accordance with its own terms. BRIDGE now desires to enter into a new LDA and this week must provide to the Mayor's Office of Housing and Economic Development evidence of site control to support its application for City Mortgage Revenue Bond funds which would be used for permanent financing. In connection with this application, since BRIDGE must make a deposit of \$229,000, its staff is reluctant to recommend to the Board of Directors that such a deposit be made unless the Agency has, at minimum, granted exclusive negotiation rights. BRIDGE, a non-profit organization formed for the purpose of assisting in the development of affordable housing in the Bay Area, has received various corporate and foundation grant awards. The Housing Authority owns an adjacent 1.5 acres and has agreed in principle to make this property available for an extension of the BRIDGE development. It is now proposed to construct approximately sixty-three condominiums on the Agency property and an additional seventeen units on the Housing Authority owned site at an average sales price of \$92,000. Since it is anticipated that the project cannot absorb full market land value or the cost of certain site improvements, the current Agency budget provides for \$490,000. An additional \$200,000 will be requested for 1987, specifically for site improvements for the Housing Authority portion of the Solomon Village site. Under the proposed LDA, the Agency would reimburse BRIDGE or pay its approved contractors up to the amount available in the Agency budget. BRIDGE, in turn, has agreed to ensure that all units will be affordable to low and moderate income persons for at least thirty years, with preference being given to Agency Certificate Holders. BRIDGE has also agreed to build a residential street within the proposed development to conform with City standards and to dedicate it to the City upon completion. In the event BRIDGE enters into a joint venture with a profit motivated developer, staff has indicated a willingness to consider such an assignment of the LDA, subject to all aspects of the LDA, including the low and moderate housing commitment, being complied with. Two potential title problems that previously existed concerning deed requirements prevented BRIDGE from proceeding with the project until HUD approvals of the Agency's interpretation of these requirements was obtained in July 1985. A further delay was incurred due to the Solomon Village property not being in an approved redevelopment project area whereby City Planning Department approval was required, as well as Agency approval. From its original site plan, which accessed off Donoghue Street, it received a cost estimate of approximately \$500,000; however, a more recent cost estimate was \$1 million. BRIDGE determined that the cost could be reduced to \$750,000 by obtaining access by the way of Navy-owned property and the alternative site plan can proceed now that tentative approval from the Navy has been obtained. During the new exclusive negotiations period it is proposed to prepare a new LDA reflecting present Agency policies, to analyze BRIDGE's cost figures reflecting the new street alignment and to publish the required notice of public hearing. In view of the resolution of unanticipated problems that were encountered, it is considered that BRIDGE has the capacity to proceed rapidly with the project and produce this much needed affordable housing.

Mr. Arnette expressed concern regarding the retention of low to moderate income units after the thirty year period had expired. Mr. Kernan indicated that this is only for exclusive negotiations and those concerns will be addressed before returning to the Commission for LDA approval.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNETTE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-86 BE ADOPTED.

- (b) Resolution No. 271-86 requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Pacific Bell for Parcel 3735-E, Lot 15 and 16, located on the northeast corner of Third and Folsom Street in Yerba Buena Center.

Mr. Kernan reported on item (b) as follows. The 1984 OPA provided for a Phase II development and Pacific Telesis Group, a non-regulated subsidiary of Pacific Bell, proposed to construct a speculative office building. Schematic designs and construction documents were subsequently approved for a twelve-story office building requiring the use of air rights (FAR) for a 15' x 160' strip on the adjacent Pacific Bell site at 666 Folsom Street. However, in May 1986 Pacific Bell advised that the Public Utilities Commission would not allow Pacific Telesis to acquire the site and that it must be put to public bid, resulting in a request to extend the performance schedule by eighteen months. When discussing this request, Pacific Bell indicated that they would not include the strip from 666 Folsom and therefore the Agency approved design could not be built on the site. A Redevelopment Plan amendment is now being prepared which would reduce both the height and FAR standards for a number of parcels, including the subject parcel. Pacific Bell has been advised of these changes and supports the proposed OPA amendment which deletes all references to Phase II new construction and for the Agency to issue a Certificate of Completion for Phase I which required painting and landscaping of the existing motor pool building. Any new proposal for development would be subject to a new OPA or an OPA amendment to be negotiated by the successful bidder.

Mr. Commons indicated that it would be in the Agency's best interest to see that this property is sold and developed in a reasonable period of time and that, if possible, this should be made a condition of the subject resolution. He further indicated this item should be held for one week, while staff explores the Agency's options.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (b) would be continued for one week at Commissioner Commons request. There being no objection, it was so ordered.

- (c) Resolution No. 272-86 requests authorization of a Personal Services Contract with Mitchell-Giurgola, Architects, in the amount of \$80,000 to provide partial Schematic Design Services for the Esplanade, Fountain, and Howard Street Plaza areas of Yerba Buena Gardens.

Mr. Kernan reported on item (d) as follows. In April of this year, Maki and Associates, James Stewart Polshek and Partners, and Mitchell-Giurgola were authorized to study the impacts and possible mitigation of a proposed expansion of the Moscone Convention Center under Yerba Buena Gardens' Central Block Two. A concept Plan was produced and accepted in July which would enable the Gardens Esplanade and Fountain to be extended over a depressed portion of Howard Street between Central Blocks Two and Three. The concept plan is subject to voter approval in November and to successful redesign of the affected portions of the Gardens, among other conditions. This proposed contract would advance the design to a partial Schematic submittal consisting of plans, elevations and sections showing the general character of the areas, with perspective sketches, which would be to a point where an accurate presentation of the effect of the expansion on the Gardens could be made public in early October. The work would comprise approximately one-third of the Schematic Phase Work of the full Esplanade design contract now being negotiated with Mitchell-Giurgola, which is not expected to start until the question of expanding Moscone Center is resolved. Further development of the design is essential to provide the Agency and the public with a clear idea of the quality that is believed can be maintained if the expansion is approved. This information is needed well before the election, if it is to allow for meaningful public deliberation. It is expected that an agreement with the Chief Administrative Officer (CAO) will be reached for reimbursement of the cost of any work rendered unusable by disapproval of the Moscone Center expansion. Funds for this contract are available from the money which the CAO has agreed to reimburse the Agency for earlier consultant contracts related to the Moscone expansion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-86 BE ADOPTED.

- (d) Resolution No. 273-86 requests consideration to terminate the Owner Participation Agreement (OPA) with Phoenix Realty Group, Inc. for Lots 12 and 14 in Block 696 located on the southeast corner of Post and Gough Streets in the Western Addition A-1.

Mr. Kernan reported on item (d) as follows. The subject site contains two lots, one of which is owned by Phoenix who indicated at the time the OPA was authorized in March 1986 that it had an option to purchase the other lot from Security Pacific National Bank. The OPA stipulates that the Owner's ability to acquire the site will be lost upon expiration of an existing option to acquire the other lot and the Agency will have the option to terminate the OPA. Upon the first expiration date of April 21,

1986, Phoenix exercised its right to extend the Option Agreement to the second expiration date of May 21, 1986. As this date approached, Phoenix advised that Security Pacific had tentatively agreed to consummate the sale of the lot on or before the May 21st date and also expressed the belief that in any event the Bank would extend the option to or beyond the third expiration date of June 23, 1986. Because written evidence confirming this was not provided, staff proposed that the OPA be terminated. However, at the July 15, 1986 meeting, upon transmittal of a letter from the Bank supporting Phoenix's request that the hearing regarding the termination be continued, a thirty day continuance of its option to purchase or to consummate the purchase of the lot owned by the Bank was approved. On August 19, 1986 Phoenix advised that neither could be accomplished.

Mr. Mardikian inquired if Phoenix had been contacted regarding termination of the OPA. Mr. Kono, Chief, Development and Real Estate, replied affirmatively and noted that, although discussions continue, there has been no sale or an extension of the option agreement. However, in the event the OPA is terminated today, Phoenix anticipates coming back at a later date to reopen negotiations.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-86 BE ADOPTED.

- (e) Resolution No. 274-86 requests authorization to extend the Conveyance of the site from August 27 to October 27, 1986 to the LDA with Robert and Dorothy Clay for 1985 Ellis Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In June 1985 an LDA was authorized for the rehabilitation of this three-story Edwardian constructed in 1910 as a twelve unit apartment building. In order to allow time to obtain the necessary financing, a First Amendatory Agreement was approved in March 1986. Since that time a construction financing commitment has been secured and satisfactory evidence of equity capital has been provided. However, a satisfactory appraisal, upon which the financing commitment is contingent, has been delayed due to the current backlog of appraisals, but is expected to be available within the next 2-3 weeks. In addition, it appears that the contractor originally selected encountered a problem obtaining bonds and another bondable contractor who has successfully completed other rehabilitation projects in the area has been contacted. The proposed extension will provide time to finalize the construction agreement and to obtain the contractor's bonds.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-86 BE ADOPTED.

- (f) Resolution No. 275-86 requests authorization to Exercise the Agency's Repurchase Option with respect to 1408 Golden Gate Avenue and to expend funds for purchasing the unit, paying Homeowner's Association Dues and Marketing the unit for Resale in connection with the Affordable Condominium Program in the Western Addition A-2.

Mr. Kernan reported on item (f) as follows. The program includes a resale restriction to prevent speculation and to enable these units to remain affordable to moderate income families for a period of at least seven years by means of a repurchase option retained by the Agency. Should the Agency elect to exercise its repurchase option, the option is then assigned to an eligible purchaser. Since the first two repurchase options were authorized in May 1986 and subsequently exercised, a remarketing program has been undertaken to develop a waiting list of eligible households. As of August 15, eighty-one applications had been received, of which thirty-four appear to be eligible for units under the program and, as buyers are selected, their applications will be brought before the Commission for consideration. In June 1986, another notification to sell a three-bedroom unit at 1408 Golden Gate Avenue was received. This unit was purchased by Helen Goodwin and her son, Don Mamou, in August 1983 for \$182,000, a price that, even at today's interest rates, a moderate income family could not afford without the Agency's assistance. It is therefore proposed that the Agency exercise its option to repurchase this unit, thereby assuring its retention as a moderate income housing resource for an additional seven year period. Under the repurchase option provisions, owners are entitled to be paid for their investment in the property which includes the cost of certain improvements made during the term of ownership plus a return on that investment. Mrs. Goodwin converted the former basement area laundry room into a family room and the crawl space into a storage room without realizing that the unit is located in a development which is considered an apartment house by the City's Bureau of Building Inspection. The changes she has made, which resulted in a requirement to add sprinklers throughout all seven apartments, are therefore illegal. However, the owner of an identical unit in this development did obtain a building permit through the Board of Appeals for similar basement improvements and was only required to sprinkler his basement area, not all seven units. Staff therefore believes that it may be possible for Mrs. Goodwin to legalize her basement area, which an appraisal indicates would increase the value by \$10,000. Staff considers that the work which has been performed, and which is likely to be required to legalize the area, will be less than this amount. It is therefore proposed to provide Mrs. Goodwin with the opportunity to legalize the improvements already made, provided that the maximum price the Agency pays for the unit will be limited to the price which would be paid without the improvements plus the actual cost of the improvements themselves. Should she elect not to pursue this course of action, the amounts expended so far will not be included in the purchase price calculation. In addition, the repurchase option language will

provide that such deficiencies be corrected prior to close of escrow, or that funds in an amount sufficient to correct the deficiencies be withheld from the sales proceeds and used for this purpose. It is proposed to expend an amount not to exceed \$80,000 for the purchase of the unit and \$150 per month for homeowner's association dues during the term of the Agency's ownership. The A-2 Housing Fund will be used for this purpose and will be replenished with funds received from the resale of the unit.

Ms. Darby Nelson, Senior Development Specialist, responded to questions from Mr. Commons regarding the Affordable Condominium Program and explained how it operates.

Mr. Mardikian left the meeting at this time, 4:55 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-86 BE ADOPTED.

- (g) Resolution No. 276-86 requests authorization of a First Amendment to the Loan Origination and Servicing Agreement in connection with the Agency's Mortgage Revenue Bonds, 1985 Issue C, for the Cathedral Hill Plaza West project in the Western Addition A-1 and A-2.

Mr. Mardikian returned at this time, 4:57 p.m.

Mr. Kernan reported on item (g) as follows. In December 1985 the Agency issued its \$24,450,000 Multi-Family Collateralized Housing Revenue Bonds in order to finance Western Commercial Partnership I's development of 156 units of rental housing and commercial space. The Bond Documents presently require that construction commence by September 1, 1986 or the Bonds must be redeemed. Due to the developer experiencing delays resulting from a selection of new architects necessitating design changes and new cost estimates, in August the Commission approved a First Amendment to the Reacquisition and Amendment No. 1 to the LDA, extending until October 15 the time by which the developer must satisfy certain conditions including the commencement of construction, or be subject to Agency reacquisition of the site. It is proposed that a similar extension be granted to October 15, 1986 for commencement of construction in the Bond documents.

Mr. David Oster, Assistant Agency Counsel, responded to questions from Mr. Commons regarding interest being paid on the bonds and how they are serviced. Mr. Oster indicated that the proposed Amendment would require drawing down on the bond proceeds by October 15; however, the outside limit is one year after issuance or December 1986. Mr. Commons asked whether it was staff's opinion that the December 1986 deadline would be met, to which Mr. Kernan replied affirmatively. Mr. Gene Suttle, Project Director for the Western Addition A-2, indicated that the groundbreaking is scheduled for September 18. Mr. Harold Wong, representing WCP I, noted that a demolition permit has been issued and demolition of the existing building is expected to

commence shortly, to be followed by commencement of construction. However, an extension is being requested to October 15, 1986 in case there are any unanticipated delays and the September 1st date is missed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-86 BE ADOPTED.

- (h) Resolution No. 277-86 requests authorization of a First Amendment to the Agreement for Professional Services which expands the scope of services; extends the contract term by sixty days; and increases the amount payable by \$10,000 with Katz Hollis Coren & Associates in connection with the Western Addition A-2.

Mr. Kernan reported on item (h) as follows. This firm has been under contract to the Agency since July 9, 1986 to provide financial consultation relating to the preparation of a Financing Plan for the Agency. Staff recently became aware that with regard to a proposed WA-2 Plan Amendment presently being prepared, this amendment will add tax allocation provisions and must be processed as though it were a new Redevelopment Plan. This has resulted in the need for extensive fiscal research and consultations with all five taxing agencies. Prior to the Board of Supervisors public hearing on the proposed amendment, consultant support is considered necessary to assist the City Controller in the preparation of his Fiscal Impact Analysis and to assist the Agency in the preparation of its Preliminary Report on this analysis as well as in its consultation with the taxing agencies. Since this type of fiscal analysis is closely related to the work activities contained in the Katz Hollis Coren Financing Plan contract, the proposed amendment, which will not affect the September 12, 1986 completion for the review draft of the Agency Financing Plan, is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-86 BE ADOPTED.

- (i) Resolution No. 278-86 requests authorization to extend Exclusive Negotiations from September 10 to November 19, 1986 with the Catholic Social Services, Inc. (CSS) for Parcel 780-H, located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

Mr. Kernan reported on item (i) as follows. Since exclusive negotiations were authorized in June 1986 for the construction of twenty-five units of housing for the physically handicapped, CSS has received a Section 202 Fund Reservation from HUD. Also, the Articles of Incorporation, the Corporations' By-laws, the Redeveloper's Disclosure Statement and Schematic Drawings were submitted in a timely manner. However, additional time is required for submission of equity capital and an affirmative action program as well as for publication of the public hearing notice, and the requested extension is therefore considered to be appropriate. As indicated at the time the exclusive negotiations

were granted, future Commission approval may be sought for density and parking variances and possibly a write-down of the land price.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-86 BE ADOPTED.

- (j) Resolution No. 279-86 requests authorization of a Seventh Amendatory Agreement to the LDA with Essie Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Kernan reported on item (j) as follows. In November 1983 an LDA was authorized for the construction of thirteen market rate residential condominiums. Since that time, the project has been redesigned in order to reduce costs and the building was simplified with one unit being added. Satisfactory Schematic Drawings and Preliminary Documents were submitted and Final Construction Documents are being reviewed by staff. Ms. Collins has indicated she does not expect to have financing in place by the September 10 submission date and has therefore requested a ninety day extension during which to obtain a financing commitment. The revised performance schedule would extend the date for submission of evidence of financing from September 10 to December 10, 1986 and Conveyance of the Site from October 8, 1986 to January 14, 1987.

Ms. Noni Richen, representing herself, expressed opposition to the extension, as it appeared the high cost of the project will result in the units being priced higher than other condominiums in the neighborhood, thus costing more to build than the units can be sold for. Ms. Collins indicated that Ms. Richen's statement would not be the case and noted that financing was being held up because a contractor had not been selected; however, negotiations are now in progress with two firms and it is anticipated that a financing commitment will be obtained during the requested extension period. Mr. Arnold Townsend spoke in support of the extension being granted. Mr. Lee inquired as to construction costs, and Ms. Collins indicated construction costs are estimated to be between \$1.5 and \$1.7 million.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-86 BE ADOPTED.

- (k) Resolutions No. 280-86 and No. 283-86 request authorization of two First Amendatory Agreements to the LDA's with Jack Robbins for Parcel 1102-A, located on the west side of Broderick Street between Ellis and O'Farrell Streets and Parcel 780-E located on the west side of Webster Street between Fulton and McAllister Streets, both in the Western Addition A-2.

Mr. Kernan reported on item (k) as follows. Following authorization of the LDA's in January 1986 for the construction of three market rate condominiums on one parcel and two on the other, preliminary construction documents for both developments were approved. In July 1986 the developer requested consideration of a variance for one additional Agency Room on the Broderick Street parcel, resulting in the second unit having two bedrooms as opposed to one. This addition would not visually change the bulk of the building or alter the density of the block, and would increase the housing capacity. Because of the developer's desire for this variance, the Final Construction Documents were not submitted by the due date of July 16, 1986 and he was consequently placed in default. Consideration of the variance by the Commission is tentatively scheduled for mid-September, pending the outcome of which the developer has requested an extension of the Performance Schedule which calls for submission of Final Construction Documents by October 15, 1986; submission of evidence of financing by February 19, 1987; and conveyance of the site by March 18, 1987.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-86 BE ADOPTED.

- (1) Resolution No. 281-86 requests authorization of a Discretionary Approval Process for Modification of Insurance Standards for Permits to Enter and Rental Agreements.

Mr. Kernan reported on item (l) as follows. The proposed resolution would grant discretion to the Executive Director, in consultation with the Agency's Risk Manager and General Counsel, to eliminate or modify current insurance requirements on a case-by-case basis for Permits to Enter and Rental Agreements entered into by the Agency and to reduce the standard liability coverage that has been previously required from \$2 million to a \$1 million combined single limit. Similar authorization was granted in July 1986 with respect to Personal Services Contracts because of the turmoil in the insurance industry which has also affected activities such as soil tests and rental agreements for tenants occupying Agency-owned vacant land or structures. The Agency standard for general liability, including owned and non-owned automobile liability coverage has been \$1 million each for bodily injury and property damage or a combined single limit of \$2 million, which standard has in the past been a minimum when requesting insurance coverage for permits to enter and rental agreements. However, the \$1 million combined single limit for general liability and bodily injury is adequate for most permits to enter and rental agreements and is easier to obtain than the \$2 million combined single limit. In those instances of significant public exposure, insurance over these prescribed limits has been received but it is now found that the availability for such coverage for soils tests for both profit and non-profit

small office users is non-existent or very difficult and expensive to obtain. In all instances, it has been staff's contention that, if the required insurance is not provided then the activity is not permitted. However, situations could arise that could deter the Agency's program of developments or affect activities for community benefit if not approved. Coverage will still be evaluated on a case-by-case basis to determine the appropriate coverage, consistent with risk to the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-86 BE ADOPTED.

- (m) Resolution No. 282-86 requests approval of the Agency's Financial Plan for the 1987 calendar year for an expenditure budget of \$38,103,394 and authorization to submit it to the Board of Supervisors of the City and County of San Francisco and to submit a revised Request for Funding (RFF) to the Mayor's Office of Community Development (OCD).

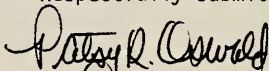
Mr. Kernan reported on item (m) as follows. On July 1, 1986 an RFF for submission to OCD calling for expenditures totalling \$20,582,767 was authorized. The RFF did not include all costs associated with the Yerba Buena Center area, portions of the Central Blocks or the Rincon Point-South Beach Small Boat Harbor project, as the funding sources are non-CDBG related. These costs, and those included in the RFF, are encompassed by the Financial Plan with financing planned as follows: CDBG New Entitlement \$405,845; CDBG Reprogrammed \$1,900,500; Sales \$19,172,425; Rental/Other Income \$3,185,700; Tax Increment \$8,527,400; Debt Proceeds \$5,564,908; Other \$640,160. This total of \$39,405,038 reflects an excess of funds in an amount of \$1,301,644 with all but \$390,757 being restricted to use within the project areas which generated it. In order to receive tax increment revenues the Agency's annual budget must be approved by the Board of Supervisors and a Certificate evidencing indebtedness must be on file by October 1 with the City Controller.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-86 BE ADOPTED.

#### ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Paty R. Oswald  
Agency Secretary

APPROVED

October 7, 1986

SF  
R35  
#4  
9/2/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
2ND DAY OF SEPTEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of September, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
H. Jesse Arnette  
Melvin D. Lee  
Haig G. Mardikian

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and the following were absent:

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Walter S. Newman, Vice President  
Charlotte Berk (arrived 4:30 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Kevin P. Hardiman and Henry Morris, Pacific Bell; Ocie Rogers; Scott Johnson, Architect; Jeremy Kotas, Architect; Roger Boyer, Architect; Jay Mancini, Rincon Center Associates.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency's 1987 Financial Plan and Budget has been transmitted for calendaring before the Board of Supervisors' Finance Committee. It is expected to be heard before that Committee on September 10 and, if approved, the full Board would hear it on September 15. The Mayor's signature is necessary before the end of September in order to be in place and effective for tax increment withdrawals in October.
- (b) This year's San Francisco Urban Fair begins on September 4. The Agency's booth to be found in the City section. This year the Agency will be focusing on Housing and the South Beach Harbor.
- (c) The Agency's office will be closed on September 9 in observance of California's Admission as a State. This will preclude having the Agency's regular meeting on that day. The regular meeting is now scheduled for Wednesday, September 10 at 4 p.m.

UNFINISHED BUSINESS

- (a) Resolution No. 271-86 requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Pacific Bell for Parcel 3735-E, Lots 15 and 16, located on the northeast corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported that because additional changes are required to the OPA, with the concurrence of Pacific Bell, staff is requesting this item be continued for one week.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, this item would be continued for one week at staff request. There being no such objection, it was so ordered.

- (b) Resolution No. 266-86 requests approval of the Curtain Wall Design for the Rincon Center Associates Development on Assessor's Block 3716, Lot 1, bounded by Mission, Steuart, Howard and Spear Streets; Rincon Point-South Beach.

Mr. Hamilton reported in item (b) as follows. The Owner Participation Agreement (OPA) for this development originally required that the curtain wall mock-up be constructed by the time the Preliminary Construction Documents are submitted. However, because the developer desired to move forward as quickly as possible and there was no curtain wall subcontractor in place, the developer requested and was granted an extension in April of this year, delaying construction of the mock-up. This mock-up has now been constructed on the roof of the former Rincon Annex Post Office and is visible from the east side of the building on Spear Street. During the ongoing review there have been concerns about the glass curtain wall as first proposed because of the color of the vision glass and, more recently, concern about the darkness of the opaque spandrel glass, which staff architects believe should be as light as possible, given the fact that it is being used for a residential tower structure. There were secondary issues which related to the effect of the vision glass tint on privacy and the perception of security. A letter dated September 2, 1986 addresses some of these issues from the standpoint and perspective of the Developer's most recent thinking. In discussions with the Developer and in two separate site visits, the arguments relative to the privacy and perception of security were considered and the gray scheme which was proposed in the curtain wall design viewed. The gray scheme became less of a problem than the darkness of the spandrel glass and this was discussed with Mr. Jay Mancini who expressed a willingness to explore a number of alternatives that might lighten the spandrel in attempting to lighten the general appearance of the building. A number of possibilities were explored that were not seen until today and this is why a memorandum was not provided previously. The remaining concern was the darkness of the appearance of the spandrel glass, which

UNFINISHED BUSINESS (continued)

is affected by the backing, the whiteness of the cover on the back of the glass, so it is important that the absolute whitest of white backing be provided when the glass is manufactured so the lightest appearance of spandrel glass is achieved. Following a site visit today with the design advisors, the project manager and staff architects to see the effect of sunlight on the material as it is proposed, the curtain wall design, which includes the gray scheme and the spandrel, is considered to be acceptable.

Mr. Jay Mancini, Rincon Center Associates, responded to questions from the Commissioners and noted the presence of architects Mr. Scott Johnson, Mr. Jeremy Kotas and Mr. Roger Boyer, all of whom are qualified to speak on the issue of how gray and how dark in fact the building would appear.

Mr. Arnelle indicated that he was not convinced that the gray scheme will provide adequate privacy for the tenants. Mr. Mancini noted that privacy is a key issue and it is his belief that the light gray glass will provide the necessary privacy. Mr. Arnelle noted that this should prove to be an attractive project that will be of substantial importance to the area.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 284-86 requests authorization to extend Exclusive Negotiations with Delancey Street Foundation, Inc. from September 10 - December 10, 1986 for development of Site J in Rincon Point-South Beach.

Mr. Hamilton reported on item (a) as follows. Exclusive Negotiations were authorized in August 1985 with the developer who proposes to develop 177 dwelling units and 56,000 square feet of commercial space. Subsequent extensions have been granted since that time, the latest to September 10. Negotiations have been underway between the Port and State Attorney General's office concerning the use of Port Land for the purpose of housing and the City's decision regarding the Embarcadero right-of-way, which have complicated and delayed drafting of the conditional lease. Staff believes that this extension is sufficient to conclude those negotiations.

Mr. Mardikian expressed concern that ninety days might not be sufficient time to resolve these issues. Mr. Hamilton indicated that this extension would provide a reasonable time. Possibly more than ninety days would be required; however, it should be reviewed again at that time and brought back for public discussion.

Charlotte Berk arrived at this time, 4:30 p.m.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-86 BE ADOPTED.

- (b) Resolution No. 285-86 requests authorization of a Transition Agreement with Empire of America-California and Security Pacific National Bank in connection with the Agency's Residential Mortgage Revenue Bonds, 1984 Issue A, issued for the LaSalle Heights project in Hunters Point.

Mr. David Oster, Assistant Agency Counsel, reported on item (b) as follows. These Bonds provided permanent financing for the purchase of units in Sutter Park West, Kimball Park and Amelia condominium developments in the Western Addition A-2, and La Salle Heights in Hunters Point. Pursuant to individual Developer Agreements, the proceeds of the Bonds available to purchase individual mortgage loans were allocated among the respective projects on the basis of anticipated needs. The Participation Fees required to be paid were necessary to reimburse the costs of issuance of the Bonds, based upon the percentage of Bond proceeds allocated to each project, and were secured by letters of credit deposited with the Trustee, Security Pacific National Bank, at the time the Bonds were issued. As each mortgage loan is purchased by the Trustee, 3% of the principal amount is credited to the payment of the applicable Developer's Participation Fees and its letter of credit is reduced accordingly. R.J. Futuristic, Inc., the developer of LaSalle Heights, has filed for bankruptcy and its interest in the project was sold at a foreclosure sale. Empire of America-California (Empire), the successor to the purchaser of LaSalle Heights I, has been unable to secure assignment of the Developer Agreement because of the bankruptcy proceedings. A Transition Agreement is therefore proposed whereby Empire will be able to use the Bond proceeds on the same basis as was available to R.J. Futuristic, except that it is not necessary for Empire to post an additional letter of credit since the issuance costs attributable to unoriginated loans has already been covered by R.J. Futuristic's letter of credit. However, upon purchase of each mortgage loan, 3% of the principal amount will go to the Trustee, and the R.J. Futuristic letter of credit will be reduced. In addition to the potential benefit to R.J. Futuristic, the Transition Agreement will allow prospective buyers of the units, many of whom had intended to purchase from R.J. Futuristic and have been actually living in the units since the bankruptcy, to purchase their units at the favorable Bond financing rate of 9.55%. Bond Counsel, Jones Hall Hill and White, has reviewed the Agreement and recommends its approval. The Agency is protected from liability in connection with the Agreement because it requires Empire to indemnify the Agency.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-86 BE ADOPTED.

NEW BUSINESS (continued)

Mr. Lee inquired if this agreement with Empire is not authorized then would R.J. Futuristic's letter of credit obligations remain, to which Mr. Oster replied affirmatively. Mr. Lee further inquired whether R.J. Futuristic is connected with the Future Perfect project at Third and Evans. Mr. Oster replied that he understood some of the same principals are involved in both projects, but that the firms are separate legal entities.

- (c) Resolution No. 286-86 requests authorization of annual premium payments to Curtis Day & Co., in a total amount of \$1,789 for an Employee Fidelity Bond and Depositor's Forgery insurance.

Mr. Hamilton reported on item (c) as follows. The fidelity bond, which protects against losses due to fraudulent or dishonest actions of employees, has been renewed every three years since 1974 with the R. Carrie Agency. The latest bond ran through June 23, 1986. However, the existing bond agreement specifies that the bond is continuous beyond that date unless written cancellation notice is given by the insurer, Aetna Casualty and Surety Company, in which case no less than thirty days notice could be given. In the event of cancellation by either party, the premium is to be pro-rated for the term of the coverage from June 23, 1986 through the termination date at the old rate. Such notice was not given and Aetna offered to renew the fidelity bond, but on a commercial bond form which is less favorable to the Agency. Purchase of depositor's forgery insurance was recommended by the Agency's risk management consultant to protect against loss caused by forgery or alteration of outgoing checks or other negotiable instruments. The purchase of this coverage for an amount equal to the liability limit for employee dishonesty would require the Agency to only show it sustained a loss due to a forged or altered instrument, and remove the necessity of proving employee collusion. R. Carrie contacted a number of other companies but was unable to secure quotes, other than that from Aetna. Curtis Day & Company, the broker that was successful in placing the Agency's liability coverage, was requested to obtain quotes for comparative purposes for both coverages. The most favorable quote was from the Royal Insurance in an amount of \$1,389 for the fidelity bond and \$400 for the depositor's forgery with a deductible of \$5,000. It is proposed to pay the R. Carrie Agency for an extension of the old employee fidelity bond from June 23, 1986 through the date of the installation of the new bond, on or about September 5, 1986 at an approximate cost of \$500 by purchase order.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-86 BE ADOPTED.

- (d) Resolution No. 287-86 requests authorization of a Work Order in an amount of \$20,000 with the Mayor's Office as the Agency's share of a \$30,000 contract with Edgar, Dunn & Company, Inc. for Management Consultant Services.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (d) as follows. The Mayor has decided to undertake an analysis and evaluation of the future mission of the Agency and its possible consolidation with the Mayor's Office of Economic Development into a new entity, in connection with which she desires to retain the services of Edgar, Dunn and Company. This decision was reached following receipt by the Mayor of the Fiscal Advisory Committee's transmittal of the Deloitte, Haskins and Sells report and the Agency's Action Plan. Since the Agency's Action Plan suggested the establishment of a new authority to carry out a broader mandate, staff is most supportive of this direction. Details of the scope of work for the proposed contract have been provided to the Commission.

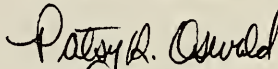
Mr. Commons noted his pleasure at the Mayor's decision to proceed with this study.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a closed session on Personnel. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

October 7, 1986

SF  
R35  
#4  
7/10/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
10TH DAY OF SEPTEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of September, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
H. Jesse Arnette  
Charlotte Berk  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

Walter S. Newman, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Mary Helen Rogers; Ocie Rogers; Robert H. Davis, Housing Assoc. Inc.; Richard Delaney, Local 790

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors' Finance Committee today approved the Agency's annual budget for Hunters Point, India Basin and Rincon-Point South Beach involving tax increment financing for 1987, which substituted evidence of indebtedness for tax increment purposes. The Financing Plan and overall budget were not approved and it was agreed those were to be severed and brought before the Finance Committee within the next few weeks as the final review closes with the Budget Analyst, the CDBG Office and with the Mayor's Office. At that time, the entire budget as approved by the Commission would be before the Finance Committee. The necessary approvals, in order to trigger those legal processes that make the Agency eligible for tax increment were granted. The new Chair of Finance is Supervisor Walker, Supervisor Renne having become the City Attorney. Supervisors Ward and Hongisto are the other members of the Finance Committee.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Board of Supervisors' Rules Committee met in a special meeting on September 8 to consider the recommendation of the Chief Administrative Officer to modify Proposition B, which is the expansion of the Moscone Convention Center, now on the November Ballot. The language now specifically locates that expansion underneath CB-2 with the Agency's approval. The modification would have granted the alternative of going on the surface of CB-3. However, following considerable testimony by many old time advocates of the gardens, the Rules Committee unanimously referred that matter to file. The Agency did not oppose the modification, but indicated a preference for it to be located under CB-2 as had been originally recommended and the testimony was in accordance with the information provided to the Commission. There are still problems outstanding that need to be resolved regarding the expansion under CB-2, particularly with respect to parking and the development of a financing plan that is acceptable in terms of scheduling and timing. Immediately prior to the Rules Committee meeting, the Mayor expressed a mutual concern that those issues be closed on quickly. Lack of progress in dealing with those matters resulted from the diversion of attention to the CB-3 alternative and now that does not exist, attention can be refocused on the matters at hand.
- (c) The Redevelopment Agency's booth in the City Section of this year's Urban Fair was very successful, with many people visiting to ask questions about the models for Fillmore Center Developers in A-2 and Bayside Village in Rincon Point-South Beach, plus the South Beach Harbor.
- (d) Western Commercial Partnership I will be holding their ground-breaking on September 18 at 11:45 a.m. at 1755 Geary Boulevard to announce their start of construction of Cathedral Hill Plaza West, a 156 unit development in the Western Addition.

UNFINISHED BUSINESS

- (a) Resolution No. 271-86 requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Pacific Bell for Parcel 3795-E, Lots 15 and 16, located on the northeast corner of Third and Folsom Streets in Yerba Buena Center. It is requested that this item be continued to the meeting of September 16, 1986.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at staff request. There being no such objection, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 288-86 requests authorization of a Second Amendment to the Cal-Boating Loan Contract in connection with the South Beach Small Boat Harbor in Rincon Point-South Beach.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (a) as follows. In July 1984 this loan with Cal-Boating was authorized, with the Agency and the City as co-borrowers, to assist in financing the South Beach Harbor complex. A First Amendment, approved in November 1984, increased the principal amount of the loan from \$4.5 to \$7.6 million which it is now proposed to raise to \$8 million by utilizing additional funds of \$400,000 that are now available to the Agency at the attractive interest rate of 4.7 percent.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-86 BE ADOPTED.

- (b) Resolution No. 289-86 requests authorization of a Second Amendatory Agreement to the LDA with Fillmore Center Developers for Parcels 707-A, 726-A, 731-A, 750-A, located between Fillmore, Geary, Steiner and Turk Streets; a portion of Ellis Street; and Parcel 749-C located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In November 1985 an LDA was authorized for the construction of 1,113 rental units with a large garden and health club; 73,000 square feet of retail commercial space on four parcels and a community center on the parcel located at Fillmore and Eddy Streets. In March 1986 a First Amendatory Agreement was approved which granted a two week extension of the LDA performance dates and established a separate schedule for the community center. Schematic Drawings for the remainder of the site were subsequently approved and Preliminary Construction Documents are now being reviewed by staff prior to presentation to the Commission. However, the Schematic Drawings for the community center cannot be completed until a minimum size for the building has been determined, which determination is dependent upon the amount of funds available. Since Third Baptist Church, a partner in FCD and the eventual owner of the community center, is relying on its own fund raising efforts and a grant from the Mayor's Office of Community Development for financing, there is uncertainty regarding the amounts coming from either source. The Second Amendatory Agreement would extend the date for submission of Schematic Drawings for the community center to November 12, 1986 with subsequent submission dates to be adjusted accordingly. The developer considers that the proposed two month extension will provide sufficient time to resolve the financing issue and to complete this design phase.

David Oster, Assistant Agency Counsel, noted that there was an additional change made by the Second Amendatory, which has to do with the published notice of a Public Hearing regarding a further bond issue for this development that will be before the Board of Supervisors on September 24. The published notice listed an incorrect parcel number of 749(a) instead of the correct parcel number 749(c). This error can be corrected by a change included in this Amendatory Agreement, which would be that the site would

NEW BUSINESS (continued)

be defined as it is now with an addition after Parcel 749(c) in parenthesis that this Parcel is identified as Parcel 749(a) in the Board of Supervisor's resolution. Making this change to the definition would then make the published notice correct and there would be no necessity to republish and therefore no loss of time.

Mary Rogers inquired why the square footage for the community center has been reduced from 36,000 square feet and Mr. Hamilton indicated that there had never been an agreement for 36,000 square feet for the center, as the size of the community facility depended upon the available funds. Ms. Rogers inquired when the developer's Affirmative Action Program would be available and Earl P. Mills, Deputy Executive Director, Community Services and Administration, indicated that he would provide Ms. Rogers with details of the program that are available to date.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-86 BE ADOPTED.

- (c) Resolution No. 290-86 requests authorization of the Intent to Amend the contract with the Public Employee's Retirement System (PERS), providing for Section 22024.2, which adds One Year Final Compensation, and for Section 21298 which increases the Non-Job-Related Disability Retirement Allowance.

Mr. James Nybakken, Administrative Services Officer, reported on item (c) as follows. It is proposed to add these two benefits in view of a reduction of approximately twenty-three percent in the Agency's employer contribution rate to PERS effective July 1, 1986. This substantial reduction resulted from the Agency's favorable actuarial assumptions projecting lower salary increases and a continued high rate of investment return. Since PERS actuarial assumptions are revised every four years, it is anticipated that the rate will remain fairly constant during that period. Under Section 22024.2, the period for determining the average salary when retirement benefits are computed would change from the current thirty-six highest paid consecutive months to the twelve highest paid consecutive months, resulting in an increase of approximately ten percent in the initial retirement benefit. There would be no cost to the employee and a 2.185 percent annual payroll cost to the Agency. Under Section 21298, the current statutory level of disability retirement benefits for members with at least five years of service would increase from 1.8 percent of final compensation for each year of service with a 33 1/3 percent maximum to a minimum benefit of 30 percent of final compensation after five years of service. Each additional year of service beyond five years would add one percent of final compensation to the benefit, to a maximum of 50 percent of final compensation. The disability retirement allowance would not under any circumstances exceed the service retirement allowance if the member continued in employment and retired at age sixty.

NEW BUSINESS (continued)

This benefit would be at no cost to the employee and would involve a cost to the Agency of 1.03 percent of the annual payroll. The combined cost of these benefits would be 3.287%, slightly more than their individual costs because of a small compounding effect. The total employer contribution if both benefits are added would be 13.924%. Based upon a current annual payroll of \$5,376,000, the annual cost of adding the benefits would be \$176,709 over the current employer contribution rate of 10.637%. Compared to the employer contribution rate in effect through June 30, 1986 (13.877%), the additional annual cost would be \$2,527. This percentage increase is the projected actuarial rate to the year 2000; however, the employer rate is subject to change with future contract amendments and/or experience and other factors within PERS. Since the Agency currently offers no supplemental long-term disability insurance, this amendment would significantly improve the disability coverage. Funds for these two benefits are available in the Agency budget and can be added at a very reasonable net cost because of the reduced employer contribution. The benefits are considered important improvements to the Agency's retirement plan in order to maintain an attractive competitive benefit package for its employees and future retirees. The total employee cost of the Agency's fringe benefit program, including retirement, health, dental and group life insurance plans, will still be approximately one percent of payroll less than that of the City and County employees. Following adoption of the proposed resolution, another action must be taken by the Commission, no less than twenty days later, to finally adopt the Amendment.

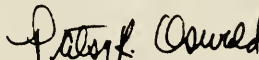
Mr. Richard Delaney and Ms. Bernice Watkins, representing Local 790, spoke in support of the Amendment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:36 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 25, 1986



SF  
R35  
#4  
9/16/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
16TH DAY OF SEPTEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of September, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Walter S. Newman, Vice President
- Charlotte Berk
- Dorman L. Commons
- Melvin D. Lee
- Haig G. Mardikian

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and the following was absent:

- H. Jesse Arnelle (arrived at 4:27 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Diana Quon, Western Addition A-2; Kevin Hardiman, Pacific Bell; Katherine Nash, Rainbow; Leonard Gordon, Terry Rawlins and Everet Kraai, Ella Hill Hutch Community Center; Ocie Rogers; Fannie K. McElroy; Bob Davies, HHI; Peter Wilhelm and Bruce Hammergren, Kimball Park; Rickey Ricie Gore, Women in Apprenticeship; Arnold Townsend; John Igoe, Lincoln Properties.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On September 15, the Board of Supervisors approved the Agency's Annual Budget for those projects (Hunters Point, India Basin and Rincon Point-South Beach) involving tax increment financing for 1987, which constitutes evidence of indebtedness for tax increment purposes. As noted in last week's Director's report, the Agency's Financial Plan and Total Budget were not before the Board and will be brought before the Finance Committee in the next few weeks.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The groundbreaking ceremony for Cathedral Hill Plaza West, a Western Commercial Partnership I development, scheduled for September 18, has been cancelled and will be rescheduled for mid-October.
- (c) Dedication ceremonies for the new State Office Building will be held on September 26 at 11 a.m. at Van Ness and McAllister.

UNFINISHED BUSINESS

- (a) Resolution No. 271-86 requests authorization of a First Amendatory Agreement to the Owner Participation Agreement (OPA) with Pacific Bell for the Parcel 3735-E, Lots 15 and 16, located at the northeast corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. This item has been continued since August 26, 1986 when a question was raised regarding the Agency's remedies if there was an eventuality that the OPA was not amended. That issue has now been addressed and a First Amendatory Agreement is proposed which eliminates the Phase II new construction and provides for any additional rehabilitation required by the continued use of the existing building. In addition, it now requires that Pacific Bell provide a program for the permanent use of the existing building and a timetable for the completion of any rehabilitation necessary to comply with OPA requirements. This program is to be submitted to the Agency on or before April 1, 1987 and the work is to be completed no later than April 1, 1988, thereby ensuring that in the event of retention of the existing building for more than eighteen months, rehabilitation work for the proposed use will be completed. Any new development would be subject to a new OPA.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 291-86 requests Affirmation and authorization to make final a Preliminary Negative Declaration for a proposed Amendment to the Western Addition A-2 Redevelopment Plan.

Mr. Hamilton reported that staff propose officially withdrawing the Preliminary Negative Declaration and the Initial Study for the proposed Amendment to the Western Addition Area A-2 Redevelopment Plan. Accordingly, there is no necessity to conduct a public hearing on the Appeal on the Preliminary Negative Declaration. The Public hearing should therefore be cancelled.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, the Public Hearing and action on item (a) would be withdrawn. There being no such objection, it was so ordered.

- (b) Resolution No. 292-86 requests authorization of a Second Amendatory Agreement to the LDA with Sheila O'Sullivan and Michael and Jean O'Mahony for Parcel 1100-A located at the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Since an LDA was authorized in July 1985 for the construction of ten market rate condominiums, satisfactory Preliminary and Final Construction Documents have been submitted and a building permit has been issued. When unexpected delays were incurred in the processing of the construction loan by the lender, an extension to the performance schedule was approved in June 1986. Since that time, the construction lender has withdrawn and a construction loan is being finalized with a new lender. It is therefore proposed to extend the date for submission of evidence of financing from August 13 to October 15, 1986 and conveyance of the site from September 17 to November 12, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-86 BE ADOPTED.

- (c) Resolution No. 293-86 requests authorization of a Contract for a one year period, in an amount not to exceed \$125,189, with the Ella Hill Hutch Community Center (EHHCC) for construction employment services in connection with the Fillmore Center in the Western Addition A-1 and A-2.

Mr. Earl Mills, Deputy Executive Director, Community Services, reported on item (c) as follows. The proposed contract would provide construction employment services to assist contractors/subcontractors in complying with the Agency's affirmative action program for the Western Addition project area which requires that developers/contractors pursue the utilization of community residents as fifty percent of their workforce on a craft-by-craft basis. This requirement has been agreed to by the developers of the Fillmore Center, namely, the Fillmore Center Developers and Western Commercial Partnership, whose projects will generate significant construction job opportunities for Western Addition residents. Furthermore, it is anticipated that the skills and experience developed by community workers during this construction will enable them to ultimately pursue employment throughout the San Francisco Bay Area. The subject contract has therefore been negotiated in order for EHHCC to implement a Construction Coordinating Program which will maximize these job opportunities for Western Addition residents. The Scope of Services in the first proposed contract include: hiring and supervising of

NEW BUSINESS (continued)

staff, consistent with the budget, with all staff hired to be subject to the established personnel policies and procedures of the EHHCC; provide a skills bank for use by contractors/subcontractors and to also serve as a resource for skilled residents seeking employment in the Fillmore Center construction projects; implementation of a training program to be coordinated with other agencies to prepare interested community residents for entry into authorized construction apprenticeship programs based upon interest, capability and the availability of apprenticeship opportunities; coordination with the Agency to ensure consistency with goals and requirements of affirmative action in employment as identified by the Agency. EHHCC, located at McAllister and Webster Streets, is operated by a non-profit community based Board that also operates the Booker T. Washington Center, is a focal point for most community activities. As well as operating a rather limited job orientation/placement program, in conjunction with the Screening Committee that works with the Fillmore Safeway store, it is frequented extensively by unemployed young adults from the neighborhood. Its principal operating budget is funded by the Mayor's Office of Community Development for on-going activities and it has several specifically funded programs. It is projected that this program will be needed for at least two years and therefore two annual contracts will be required. However, it is not intended to issue the notice to proceed for this contract until construction commencement of the Fillmore Center Developers project is imminent. The proposed budget sent to the Commission shows two tutors at \$25 per hour for 10 hours per week as part of the Contracted Services. Since then EHHCC has advised that the tutors should be included with Staff Salaries since Social Security and other fringe benefits could be required. This revision need not change the recommended fringe benefit amount which is sufficient to cover the original salaried group and the tutors at a rate consistent with other EHHCC programs. There is a revision in your folders that reflects this change as well as corrects a typographical error showing the recommended "Contingency" at 10 percent rather than 1 percent which is what is calculated and included.

Mr. Mills responded to questions from the Commissioners regarding insurance coverage and the need for tutors. He indicated that the insurance coverage would include general liability and that the tutors would be utilized on an as-needed basis. Mr. Commons noted that this is a fine program and inquired if the developer is making a contribution towards it. Mr. Mills indicated that this was not negotiated in the LDA process and that it was a new program that had emerged out of the community. Mr. Commons indicated that it should be made a pre-condition that the developer aid in this type of program.

Mr. Arnelle arrived at this time, 4:27 p.m.

NEW BUSINESS (continued)

Persons from the general public speaking in support of the recommendation included Ms. Rickey Gore of Women in Apprenticeship and Mrs. Fannie McElroy, Western Addition resident.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-86 BE ADOPTED.

- (d) Resolution No. 294-86 requests authorization to extend the Conveyance Date, until October 15, 1986, to the Addendum with the Nihonmachi Community Development Corporation in connection with the development by BUCHANAN/BUSH of Parcel 676-A located at the southwest corner of Buchanan and Bush Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. The building permit for the construction of a four-story building containing eighteen market-rate condominiums has been issued and affirmative action programs submitted are presently being reviewed. However, since the lender is still in the process of finalizing financing documents, thereby creating uncertainty as to whether the September 17, 1986 conveyance date will be met, the requested extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-86 BE ADOPTED.

- (e) Resolution No. 295-86 requests authorization of an Amendment No. 1 to the Loan Agreement and an Amendment No. 1 to the Construction and Permanent Loan Deed of Trust in connection with the Agency's Housing Mortgage Revenue Bonds (Bonds), 1983 Series A, issued for St. Francis Place in Yerba Buena Center.

Mr. Hamilton reported on item (e) as follows. In October 1983 the Agency issued these Bonds in the principal amount of \$40 million to provide construction and permanent financing for St. Francis Place, a 412-unit rental project. Additional security for the Bonds was provided by a letter of credit issued by Wells Fargo Bank and the bank was authorized to service the loan during the construction period. During the course of construction, disputes arose between the Developer and its general contractor, resulting in substantial cost overruns and another firm being hired to complete the work. The City issued its final certificate of occupancy for the project on April 25, 1986 when construction was substantially completed. Pursuant to the Loan Agreement, the Agency agreed to loan the Bond proceeds to the Developer, with the amount of the Agency's \$40 million loan to be supplemented by additional construction funds supplied directly by the Developer. The Loan Agreement provides for a project budget and disbursement plan setting forth the manner and the order in which the two sources of funds are to be disbursed. Because of the cost increases incurred as a result of the construction disputes, it has been necessary for the Developer to

NEW BUSINESS (continued)

provide additional funds and the proposed Amendment to the Loan Agreement would modify the budget and the disbursement plan to reflect these additional funds. The purpose of the Amendment to the Construction and Permanent Loan Deed of Trust is to ensure that the Developer's obligations under the Loan Agreement continue to be secured by the project. The proposed changes are a result of months of negotiation between the Developer and the Bank and are acceptable to both parties. This Amendment also expressly provides that all of the Agency's and the Trustee's costs and expenses related to it, will be paid by the Developer. The Bondholders continue to be secured by the Bank's letter of credit and will not be adversely impacted by the amendments, the documents pertaining to which have been found to be satisfactory by the Agency's Bond Counsel.

David J. Oster, Assistant Agency Counsel, noted the reasons for the proposed amendments and responded to Commissioners' inquiries. John Igoe, Lincoln Properties, gave a further explanation of the restructuring of the bond documents.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-86 BE ADOPTED.

- (f) Resolution NO. 296-86 requests authorization of an Amended Permit to Enter with YBG Associates in connection with Yerba Buena Center.

Mr. Hamilton reported on item (f) as follows. The Permit to Enter, authorized on August 19, 1986, did not contemplate that the temporary re-routing of traffic from Mission Street occasioned by the construction of the pedestrian tunnel between the Hotel on CB-1 to CB-2 would be required immediately. The Amended Permit would increase the land available for detouring by increasing the size of the CB-2 Detour Parcel available to the Developer prior to start of construction of the CB-2 ballroom. The detour will facilitate PG & E relocation of utilities; movement of Muni overhead lines and poles and street lighting; and allow entry for detour purposes effective October 1, 1986 and require relocation of City facilities when the detour is no longer needed. To accomplish this requires substitution of Exhibits "A", "B", "C" and "D" to the Permit to Enter. All other requirements of the Permit, for instance, bonds, and City and other governmental permits and clearances remain in effect. Since no rental charge was contemplated for the Construction Easement on the Hotel Parcel, no charge for loss of parking revenues is made for the detour use of the CB-2 Hotel parcel-1 surface. It is anticipated that the detour will be in place for approximately six to eight months for PG & E work, and for as long thereafter as is required by the tunnel work.

NEW BUSINESS (continued)

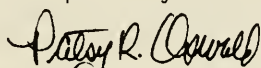
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a) on the following cases: Louie H. Sherriffe, et al v. Redevelopment Agency of the City and County of San Francisco, et al; Greiner Engineering, Inc. and Greiner Engineering of California v. San Francisco Redevelopment Agency, a related cross-action to Bayview Apartments, et al v. Goldrich & Kest, et al; and Aprille Pihl v. San Francisco Redevelopment Agency, et al.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 25, 1986



SF  
R35  
#4  
9/23/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
23RD DAY OF SEPTEMBER, 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of September, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons

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and the following was absent:

Melvin D. Lee (arrived 4:07 p.m.)  
Haig G. Mardikian (arrived 4:13 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Bob Davis and James G. Branden, Housing Assoc. Inc.; Ocie Rogers; Paul Fisher, Backer, Arrigoni and Ross, Inc.; and Mark Nelson, L.B. Nelson Corporation

Representing the press were: Dan Borsuk, San Francisco Progress; Marshall Kilduff, San Francisco Chronicle; and Corrie Anders, San Francisco Examiner

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The new State Office Building opening ceremonies will be held September 26 at 11 a.m. at Van Ness and McAllister.
- (b) On September 19, the Agency completed the installation of four brightly colored metal graphics at the Geary Expressway underpass of Fillmore Street. KRON-TV news and several radio shows noted the impact of these metal graphics on the somewhat dreary expanse of concrete retaining wall. The traditional African and Japanese images express the revitalization of the adjacent Fillmore Center and Japan Center neighborhoods.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) On September 24, the Board of Supervisors' Finance Committee will be considering a Resolution approving issuance by the Agency of an additional \$10 million in Multifamily Housing Revenue Bonds for the Fillmore Center development in the Western Addition A-2. If this item is approved, it will be before the full Board for consideration on September 29.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in Granting a Variance on Parcels 726-A, 731-A, 750-A and a portion of the vacated Ellis Street in the Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 297-86 requests authorization of a Variance to the A-2 Redevelopment Plan (Plan) which permits an increase in the percentage of compact parking spaces in connection with the Fillmore Center Developers' development on the parcels located between Fillmore, Steiner, Geary and Turk Streets; a portion of the vacated Ellis Street; and the parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Subsequent to authorization of an LDA in November 1985, the schematic drawings for this residential project were conditionally approved and recently preliminary construction documents were submitted for review. The Developer has requested a parking variance, consistent with the City Planning Code, to permit 50 percent, rather than the 20 percent required by the Plan, to be for compact cars. The Developer is providing the 1,260 required parking spaces so that the requested variance pertains only to the percentage of compact car spaces. Since the Plan was adopted in 1964, specifying that a maximum of 20 percent of the required parking spaces be for compact cars, the City Planning Code has been modified and the percentage of compact car spaces permitted was increased from the previous 20 percent to 50 percent. Staff therefore considers that the requested increase in the permitted percentage of compact car spaces is realistic. In addition, requiring the Developer to comply with the current compact car requirement would necessitate construction of additional parking garage spaces which would have an obvious impact on the economics of the project.

Mr. Lee arrived at this time, 4:07 p.m.

In response to an inquiry from Mr. Lee, Mr. Hamilton indicated that the Redevelopment Plan presently requires a separate variance in each case. However, after the Plan Amendment, which is expected to be finalized shortly, is approved it will be consistent with the City Planning Code and the necessity to deal with variances separately will be eliminated.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-86 BE ADOPTED.

Mr. Mardikian arrived at this time, 4:13 p.m.

- (b) Resolution No. 298-86 requests authorization of an Owner Participation Agreement (OPA) with L.B. Nelson Corporation and Conditional Approval of the Schematic Drawings for their development of Block 638, Lots 8 and 9, located on the north side of Post Street between Octavia and Gough Streets in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. In June 1986 discussions were initiated by this Developer who proposes to construct a twelve-story senior housing project containing 132 studios. The first floor of the building would contain a lobby, dining room, kitchen, activity/meeting rooms for residents and guests and a three meal service would be provided daily. Sixty-six off-street parking spaces would be provided in accordance with the Redevelopment Plan requirements. The proposal meets the high density residential use designation of the A-2 Plan for this location. The Developer has an option, until March 17, 1987, to purchase the site and the OPA includes a provision that if L.B. Nelson is not the record owner of the site on or before that date then the Agency will have the opportunity to terminate the OPA. The present owner of the site also owns the San Francisco College of Mortuary Science which currently occupies the existing facilities. The College is expected to vacate the site prior to transfer of the title to L.B. Nelson. The OPA stipulates that the Owner will assume all obligations to clear the improvements from the site and assume all obligations regarding the relocation of any site occupant. Therefore, no Agency site work will be required. The Developer has agreed to participate in the Agency's overall Affirmative Action program and language is included in the OPA that obligates the Owner to prepare a program that will set goals and timetables for MBE/WBE participation and the hiring of area residents. This program will be prepared following selection of a contractor and is to be submitted at least thirty days prior to the submission of Preliminary Construction Documents. Standard "fast track" language is also included in the OPA to facilitate this development, the proposed performance schedule for which calls for commencement of construction by December 23, 1987 and completion of construction by December 23, 1989. However, these dates are contingent upon the timely submission of satisfactory Preliminary and Final Construction Documents by January 23 and June 23, 1987 respectively. The Schematic Drawings submitted are considered to be satisfactory, subject to the resolution of design concerns during the Preliminary Document Phase. The design integrates har-

NEW BUSINESS (continued)

moniously into the surrounding developments which consist of a variety of architectural styles and building heights. The proposed 119 foot building has an acceptable massing, good proportions and attractive facades which will enhance the architectural character of the surrounding area. The OPA will facilitate the Architectural Control given the Agency under the Redevelopment Plan and will ensure that the proposed improvements are constructed in accordance with the Redevelopment Plan and other Agency requirements.

Mr. Thomas Ma, Senior Architect, described staff design concerns and indicated it is considered that these concerns can be satisfactorily addressed during the next design phase. Mr. Ma and Mr. Paul Fisher, the Developer's Architect, responded to questions from the Commissioners regarding the proposed colors and materials for the building. Mr. Fisher indicated that definite decisions had not been made yet in this regard. Mr. Hamilton noted that the developer would have to return to staff and the Commission for approval on these matters. Mr. Mark Nelson replied to questions from the Commissioners regarding how it is intended to operate the center.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-86 BE ADOPTED.

- (c) Resolution No. 299-86 requests authorization of an Additional Expenditure of \$3,000 for the Repurchase of 1521 O'Farrell Street in connection with the Affordable Condominium Program in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. In May 1986, authorization was granted to exercise the Agency's repurchase options with respect to 1939 O'Farrell and 1521 O'Farrell and to expend amounts of \$50,000 and \$80,000 respectively from the A-2 housing funds. The option must be exercised within sixty days from receipt of the owner's notice of intent to sell and it was not possible to obtain appraisals from outside firms and to compute the exact purchase price within that time. Based upon the appraisals subsequently obtained, it was determined that the \$50,000 authorized for 1939 O'Farrell is sufficient; however, an additional \$3,000 will be needed to repurchase 1521 O'Farrell Street. Both of these options have been exercised and escrow is expected to close by the end of this month.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-86 BE ADOPTED.

- (d) Resolution No. 300-86 requests authorization for Redmond F. Kernan, Senior Deputy Executive Director, to attend the Urban Land Institute (ULI) Fall Meeting in Chicago, Illinois, October 21-25, 1986 at a cost not to exceed \$2,500.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (d) as follows. The primary membership of ULI is comprised of those involved in the real estate and development field, as well as professionals in related activities. The organization conducts two major meetings a year and features thoroughly researched presentations of development cases which illustrate various aspects of land use, planning, financing and development implementation. The Chicago meeting focuses on a number of subjects which are of significant importance to the Agency and it is therefore considered that Mr. Kernan's participation will be beneficial. In addition to being a regular ULI member, Mr. Kernan is a member of the Executive Group of ULI's Development Systems and Services Council which will convene on October 21, 1986, one day prior to the Conference.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-86 BE ADOPTED.

At this time, a further discussion ensued regarding item (b) between the Commissioners and Executive Staff as to whether or not the Agency should develop a policy to require developers to access persons to the development who would not qualify financially. Mr. Hamilton indicated that in this instance, the Agency could not require the developer to subsidize tenants, because it does not own the land. No action was taken.

President King indicated that at the request of Agency General Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Emeric-Goodman Associates v. Redevelopment Agency of the City and County of San Francisco. Following the Closed Session, the meeting will be reconvened in the fourth floor conference room for items (e) and (f).

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:52 p.m.

RECONVENED

At this time the meeting reconvened back to the regular meeting in the fourth floor conference room at 5:40 p.m. with the same roll call, except for Mr. Commons who left after the closed session was completed.

NEW BUSINESS (continued)

- (e) James E. Wilson, Project Director, Hunters Point/India Basin, made a staff presentation of the concept for developing 20 moderate-income two-bedroom, expandable homes on Innes Avenue in the Hunters Point Project Area.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT STAFF PROCEED WITH THIS PROGRAM AS OUTLINED BY MR. WILSON.

- (f) Workshop to present the exterior building materials proposed by YBG Associates in connection with the Marriott Hotel on Central Block 1 in Yerba Buena Center.

Anthony Lumsden, architect with DMJM, made the presentation of the proposed exterior building materials for the developer.

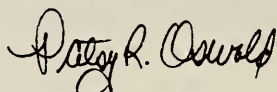
Edmond Ong, Chief of Architecture, commented on the materials and recommended that Marriott be permitted to proceed in building a full scale mock-up.

It was the consensus of the Commission that there should be granite all the way around the building at the street level to reflect quality.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 25, 1986

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#4  
9/30/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
30TH DAY OF SEPTEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of September, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

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Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers, Daniel Smith

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On September 29, 1986, the Board of Supervisors passed a Resolution approving issuance by the Agency of an additional \$10 million in Multifamily Housing Revenue Bonds for the Fillmore Center development, Housing Associates, Inc.'s Development, in the Western Addition A-2. That matter will be brought before the Commissioners in the near future.
- (b) On September 26, the new State Office Building opening ceremonies were held with all Commissioners in attendance. Patricia Feinsilver was the Agency's staff person on the committee who put th program together. She did a lot of good work and her efforts are appreciated in making this a memorable event.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in granting a Variance modifying Development Standards and Requirements of the Redevelopment Plan, Parcel 1102-A; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 301-86 requests authorization of a Density Variance, which permits an additional Agency Room, to the Redevelopment Plan (Plan) in connection with the LDA with Jack Robbins for the parcel located on the west side of Broderick Street between O'Farrell and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. An LDA was authorized in January 1986 for the construction of a 1-bedroom unit and a 2-bedroom unit. The Developer now desires that both units be 2-bedrooms in order to assure the economic viability of the project. The land use designation under the Plan for this site is Medium Density Residential (RM) which permits a density of development of not less than 200 square feet of lot area for each Agency Room. The permitted density on this 15,000 square foot site is seven Agency Rooms which allows two units where one unit includes 2-bedrooms and the other unit includes 1-bedroom. The requested variance would permit one additional Agency Room for a total of eight. The original proposal consisted of two ground floor parking garages and two residential units at the second and third levels. However, since the residential floor space exceeds that utilized for the garages, it is proposed to locate the second bedroom underneath the second floor at the garage level. Since there would not be any visible changes in terms of the building's facade, configuration and bulk, the requested variance for an additional Agency Room is considered to be appropriate.

Mr. Daniel Smith, representing Jack Robbins, noted his support of this Variance. There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-86 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in Granting a Variance modifying the Off-street Parking Requirements, Parcels 11A, 19 and 20, Block 708, and Parcel 27, Block 725; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 302-86 requests authorization of a Variance to the Redevelopment Plan (Plan) which permits an increase in the percentage of compact parking spaces in connection with Western Commercial Partnership I's development of the parcel located on the south side of Geary Boulevard between Fillmore and Webster Streets in the Western Addition A-1 and A-2.

Mr. Hamilton reported on item (b) as follows. Subsequent to authorization of an LDA in November 1985, the schematic drawings for this 156 unit residential project were conditionally approved and recently a revised "fast track" schedule and Site Permit application drawings were submitted for review. The Developer has requested a parking variance, consistent with the City Planning Code, to permit 50 percent, rather than the 20 percent required by the Plan, to be for compact cars. The Developer is providing the required 246 parking spaces and therefore the requested variance pertains only to the percentage of compact car spaces. Since the A-1 Plan was adopted in 1956, specifying that all of the required parking spaces be for full-sized cars, and the A-2 Plan was adopted in 1964, specifying that a maximum of 20 percent of the required parking spaces be for compact cars, the City Planning Code has been modified and the percentage of compact car spaces permitted was increased to 50 percent. Staff therefore considers that the requested increase in the permitted percentage of compact car spaces is realistic and in keeping with the City Planning Code. In addition, requiring the Developer to comply with the current full-sized car requirement of the A-1 Plan and the compact car requirement of the A-2 Plan would necessitate construction of additional parking garage spaces which would have an adverse impact on the economics of the project.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-86 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in a Deed for Conveyance of Parcel 748-B; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 303-86 requests authorization of a Deed for Conveyance for 1353-1367 Eddy Street in the Western Addition A-2 to the San Francisco Housing Authority.

Mr. Hamilton reported on item (c) as follows. The settlement of a lawsuit brought against the Agency and HUD by Mary Rogers and others was approved in substance some months ago by the Commission. It provides for the Agency to rehabilitate the structure located at 1353-1367 Eddy Street into eight family units to be sold to the Housing Authority for \$669,308, or for

actual expenses incurred by the Agency, whichever is lower. Actual expenses shall be certified by the Agency; however, the Agency's administrative expenses shall not be deemed actual expenses. This amount will be paid to the Housing Authority by HUD who, in essence, is paying for the rehabilitation upon transfer to the Housing Authority as a "turnkey." In accordance with the previously approved settlement, the Agency will supply interim financing and bear any costs which exceed the HUD payment since it is considered that the desirability of providing eight family units to the Housing Authority outweighs any costs the Agency may have to bear. Also, a long-vacant building which represents a potential fire and safety hazard will be put to use. Based upon a contractor's estimate obtained six months ago, it was anticipated at that time that the project could probably be financed and rehabilitated for the HUD amount, but since then, the Housing Authority has required certain changes and construction costs have increased. However, staff believes that the Agency's exposure should not exceed \$50,000 to \$100,000. The Housing Authority has approved the rehabilitation plans and the settlement agreement as it affects the Housing Authority, which contains provisions for priority of occupancy to plaintiffs and Western Addition certificate holders who would otherwise qualify under Housing Authority guidelines. The disposition documents are a combination of the settlement agreement and a deed to the Housing Authority, which two documents are considered by Agency General Counsel to be sufficient under law to constitute an appropriate disposition document. The settlement agreement involves certain preliminary action by the City relative to the funding of Housing Authority improvements for a new Yerba Buena West; that is, the matter of demolishing existing units and building new low-rise, garden-court apartments, which is expected to be before the Board of Supervisors in early October. Once HUD has written evidence of this funding commitment, HUD will execute the settlement agreement which has already been approved by the plaintiffs and will be executed by the Agency following approval of the proposed resolution. The settlement agreement must be executed by all parties by October 10, 1986, or there is a risk of losing the HUD funding.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-86 BE ADOPTED.

- (d) Resolution No. 304-86 requests authorization to expend an amount not to exceed \$5,300 to fumigate Agency-owned property located at 1353-1367 Eddy Street in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. As discussed in item (c), the subject property is to be rehabilitated by the Agency. In order to obtain a more accurate picture of the existing conditions and a better definition of the scope of work necessary for the rehabilitation being contemplated, an updated

structural pest control report was secured. On August 26, 1986 an inspection was performed by Lingruen Associates of San Francisco and the report indicated, among other things, serious damage in the framing and subflooring at the front portion of the substructure by fungus and wood-boring beetles, which condition was not indicated in an old termite report. Because of concealment by existing wall and floor coverings, it is not known at this time whether similar conditions prevail in the upper area of the structure. The necessary work will be included in the scope of the planned rehabilitation work; however, prior to its commencement it is considered essential that the entire structure be fumigated in order to stop the ongoing damage resulting from the beetle infestation. Although five Bay Area firms were contacted, only Lingruen Associates submitted a firm proposal in a lump sum price of \$5,300. This amount is considered to be reasonable for the work involved and is staff's opinion that further solicitation of proposals would not result in a lower cost. If delays are not incurred due to weather conditions, then the fumigation work could be completed by mid-November 1986, which time frame is compatible with the planned schedule for the rehabilitation work.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-86 BE ADOPTED.

- (e) Resolution No. 305-86 requests authorization of an Owner Participation Agreement (OPA) with Richard Bennett and Approval of the Schematic Design Concept for the development of Lot 22, Block 678, located on the south side of Bush Street between Steiner and Fillmore Streets in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. In August 1986 discussions were initiated by this Developer who proposes to redevelop the property he owns at 2265-2267 Bush Street. The two existing sixty year old residential structures would be demolished and three two-story office buildings constructed, totalling approximately 4,000 square feet. The buildings would be connected by bridge walkways and located on top of a 3,500 square foot enclosed ground level parking garage for eight cars with the entry lobby off Bush Street. The nineteen individual offices, each with either private balconies or landscaped terraces, are oriented for maximum light and privacy. Restroom facilities are provided on both office levels, in addition to a lounge with kitchen facilities. Public open space with benches and trees is provided by landscaped courts between each of the office structures and the project is oriented inward to provide a quiet, controlled, landscaped environment for the tenants. The proposal is in accordance with the Community Shopping Commercial use designation of the A-2 Plan for this location. The three-story building is in scale with the existing structures in the neighborhood and will enhance the architectural character of the surrounding area with its projecting balcony elements and recessed window wall elements along Bush Street. The Schematic Design Concept submitted is considered to be satisfactory by

staff. Standard "fast track" language is included in the OPA to facilitate this development. The proposed Performance Schedule calls for commencement of construction by December 30, 1987 and completion of construction by December 30, 1989. As it is not an Agency standard process to apply Affirmative Action requirements to small businesses. The OPA will facilitate the architectural control given the Agency under the Redevelopment Plan and will provide assurance that the proposed improvements will be constructed in accordance with the Plan and other Agency requirements.

Mr. King inquired if there is any affirmative action commitment by this developer and Earl P. Mills, Deputy Executive Director, Community Services and Administration, indicated that even though there are no affirmative action requirements under Owner Participation Agreements, their program had been reviewed with the developer. There are a number of minority contractors that are a part of his standard crew, plus a woman-owned firm has been retained for the architectural work. The developer has agreed to hire community residents when there is a need for a replacement on one of his crews.

Mr. Newman expressed concerned about the conversion of residential to office use and Mr. Hamilton indicated that this is the developer's right since he owns the property.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-86 BE ADOPTED.

- (f) Resolution No. 306-86 requests authorization to extend the Conveyance Date from October 1, to November 5, 1986 to the LDA with Robert J. Primus for Lot 3 in Site S-4 on Carpenter Court, off Whitney Young Circle in Hunters Point.

Mr. Hamilton reported on item (f) as follows. Mr. Primus originally entered into an LDA in June 1981 and, as was the case with many of the other S-4 developers, he was unable to obtain construction financing. In addition, the bank in which he had deposited his funds had financial problems and closed and he was only able to recoup most of his money after special California legislation was passed. Mr. Primus is one of the three developers who opted to construct his home individually. Following authorization of re-entry into exclusive negotiations in April 1986, an LDA was approved on July 1, 1986, requiring conveyance of the site on or before October 1, 1986. A building permit has been issued and satisfactory affirmative action programs submitted. However, the lender is in the process of finalizing the financing documents and it is therefore uncertain whether they will be ready to record by the close of business on October 1, 1986.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-86 BE ADOPTED.

- (g) Resolution No. 307-86 requests authorization of an Amendment to the Contract with the Public Employees' Retirement System (PERS) providing for Section 20024.2, which adds One Year Final Compensation, and for Section 21298, which increases the Non-Job-Related Disability Retirement Allowance.

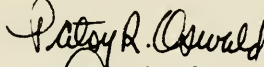
Mr. Hamilton reported on item (g) as follows. On September 10, 1986 a Resolution of Intent to amend the PERS contract was approved. State Law requires that the final adoption of any PERS contract amendments be at least twenty days after the adoption of the Resolution of Intent. The contract amendment would be effective on October 6, 1986, at the beginning of the pay period following final adoption.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:33 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

November 12, 1986



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10/7/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF OCTOBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of October, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following was absent:

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Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Gene Coleman, Isabel Ugat, Jonathan Cohen, Robert Herman, John Elberling, Michael Lawson

Representing the press was: Gerald Adams, San Francisco Examiner

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. Commons, and unanimously approved that the minutes of the regular meeting of August 26, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously approved that the minutes of the regular meeting of September 2, 1986, as distributed by mail to the Commissioners, be approved.

## REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is out of the office until October 9th to attend to a funeral of one of the Bishops of his church.
- (b) The Agency's offices will be closed on October 13, in observance of Columbus Day.

## NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement with Tenants and Owners Development Corporation for Parcel 3751-B in Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 308-86 requests authorization of an LDA with TODCO/YBC III for development of Mendelsohn House on the parcel located at the southeast corner of Folsom and Mabini Streets in Yerba Buena Center.

- (b) Resolution No. 309-86 requests Conditional Approval of the Architectural Design for the project.

Mr. Kernan reported on items (a) and (b) as follows. Pursuant to a Settlement Agreement executed in May 1973 in connection with the TOOR v. HUD, et al. legal action, the Tenants and Owners Development Corporation (TODCO) was designed as the community-based sponsor of housing for the elderly on four sites in YBC. Mendelsohn House is the fourth of those sites. It will be a nine-story structure with 189 low-income housing units and approximately 5,300 square feet of neighborhood support retail on the ground floor. HUD has agreed to provide a \$2.6 million Housing Development Action Grant to the City who, in turn, will loan it to TODCO/YBC III. TODCO will establish a loan repayment fund of the retail revenues and this will be used for repayment of the loan commencing twenty years after completion. The City will advance approximately \$12 million from hotel tax funds to pay the difference between the HUD grant and the actual cost of the project. The units will rent to tenants that are fifty percent of median income: studios \$200 per month; 1-bedroom \$310; and handicapped 1-bedroom \$290 per month. The minimum disposition price of \$94,500 has been determined to be the fair value of the land for the uses proposed in accordance with the Redevelopment Plan. The Performance Schedule calls for the submission of evidence of financing by December 17, 1986 and conveyance of the site by January 28, 1987, followed by completion of construction within twenty-four months from the conveyance date. The architectural design, which has been

developed by Robert Herman & Associates, is considered to be appropriate for this urban location, subject to the satisfactory resolution of staff design concerns.

Mr. Edmund Ong, Chief of Architecture, noted that the general design approach is considered to be satisfactory and the main issue to be resolved is that of the exterior colors which will be brought back to the Commission for review and approval.

Mr. John Elberling, Mr. Gene Coleman and Ms. Isabel Ugat, representing TODCO, spoke in support of these items.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

The Commissioners noted their concern at the institutional appearance of the building and it was the consensus that approval of item (b) would be conditioned upon the improvement in appearance of the building being satisfied

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-86 BE ADOPTED.

- (c) Resolution No. 310-86 requests authorization to extend Exclusive Negotiations until November 5, 1986 with Alvin Dworman DBA S.F. Development Co. for Parcel 3751-Q located on the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (c) as follows. Subsequent to approval of the Schematic Design Drawings in July, 1986, an extension was granted until October 8, 1986 in order to complete the negotiations, finalize the LDA and publish the required Notice of Public Hearing. Because a marketing concern regarding the unit mix requires additional study, the Developer has requested a thirty day extension. Since the negotiations are essentially complete and finalization of the LDA is anticipated by October 15, 1986, the requested extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-86 BE ADOPTED.

- (d) Resolution No. 311-86 requests authorization for the Executive Director to execute Further Amendments, as necessary, to the Amended Permit to Enter with YBG Associates in connection with the CB-2 Construction and Detour Parcels in Yerba Buena Center. Mr. Kernan reported on item (d) as follows. Subsequent to authorization of an Amended Permit on September 16, 1986, increasing the size of the CB-2 Detour Parcel, it was determined that there would be a need to further change the configuration of

the CB-2 Parcels to allow the relocation of PG&E facilities in the Mission street area. To accomplish this requires the substitution of new Exhibits A (parcel description), B (plat map of the Parcel) and D (monthly parking revenues lost) to the Permit to Enter. Because it may be necessary to make additional changes to this temporary street alignment, it is proposed that the Executive Director be authorized to approve further changes to the detour area as may be required. All other terms and conditions of the Amended Permit will remain the same.

Ms. Berk requested that the Commission be kept advised of any further changes, even if there is no action required by the Commission. Mr. Kernan indicated that the Commission would be kept informed by by informational memorandum. Mr. Newman inquired if the hotel had an obligation to put in a child care center and Mr. King noted that this matter is now under consideration.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-86 BE ADOPTED.

- (e) Resolution No. 312-86 requests authorization of an Agreement for Legal Services with Steefel, Levitt & Weiss, in an amount not to exceed \$100,000, in connection with Yerba Buena Center.

Mr. Kernan reported on item (e) as follows. This law firm has provided excellent services under a previous contract, which has had a number of amendments. Rather than amending the previous contract again, a new Agreement is proposed, incorporating all previous non-monetary changes into a single document. This firm recently participated in the negotiations involving the YBG Associates' Hotel Lease and has provided support services and document preparation necessitated by the conveyance of the Hotel. Should expansion of the Moscone Convention Center be approved by the voters, Mr. Steefel will be participating in the extensive negotiations of the Fifth Amendment to the DDA. The maximum contract amount of \$100,000 will also cover recent outstanding billings of \$14,252 for which there were insufficient funds in the previous contract. The effective date of the new contract would therefore be July 25, 1986. It is anticipated that the proposed contract of \$100,000 will provide for the firm's services through the Fifth Amendment.

A discussion occurred between the Commissioners and staff regarding the legal services contract with Steefel, Levitt & Weiss for the Yerba Buena Center. A recording of that discussion is on file with the Agency Secretary.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN WITH MR. ARNELLE DISSENTING THAT RESOLUTION NO. 312-86 BE ADOPTED AND THAT THIS IS THE FINAL CONTRACT WITH THIS FIRM UNLESS THERE IS AN IMPROVEMENT IN THEIR AFFIRMATIVE ACTION PROGRAM.

- (f) Resolution No. 313-86 requests authorization of an Agreement for Legal Services with McDonough, Holland and Allen, in an amount not to exceed \$50,000 in connection with Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. Under a previous contract, which had several amendments, this law firm, through one of its partners, Mr. Joseph Coomes, has been providing excellent services in connection with YBC. Rather than amend the previous contract again, a new Agreement is proposed incorporating all previous non-monetary changes in a single document. Mr. Coomes has most recently been acting as lead negotiator on issues involved with execution of the YBG Associates' Hotel Lease. In the event the expansion is approved by the voters, Mr. Coomes will be participating in extensive negotiations of the Fifth Amendment to the DDA, in connection with which he is now doing preparatory work. The maximum contract amount of \$50,000 will also cover recently received outstanding billings in an approximate amount of \$17,150 for which there were insufficient funds in the previous contract. The effective date of the new contract would therefore be July 16, 1986. It is anticipated that the proposed contract amount of \$50,000 will provide for Mr. Coomes' services through the negotiation of the Fifth Amendment.

Per Mr. Arnette's request Earl Mills, Deputy Executive Director, Community Services and Administration, reported on the status of the firm's affirmative action program and noted it was satisfactory.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-86 BE ADOPTED.

- (g) Resolution No. 314-86 requests Conditional Approval of the Pre-Preliminary Plans for Delancey Street Foundation, Inc.'s development of Block 3790, Lot 1, and Block 3791, Lot 1, bounded by The Embarcadero, First and Brannan Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (g) as follows. The Basic Concept Plans were approved in August 1985 for three-story residential buildings containing 177 units and a one-story recreational facility on top of a one-story podium structure including neighborhood serving retail commercial space and parking. The Embarcadero and Brannan Street corner will be developed with a ground level public restaurant, a second story dining facility for residents with an assembly hall above it. City policy decisions regarding the I-280 study and a possible MUNI rail line along The Embarcadero may affect the design of the project as it evolves. Also, the proposed auto center use must be limited to minor auto servicing and maintenance work and the auto museum use is not allowed. A number of meetings have been held with the developer and his architect regarding project design. Their response to staff concerns has been very positive as reflected in

this submission. There remain some concerns which can be satisfactorily resolved during the next design phase.

Mr. Walter Yanagita, Senior Architect, described the design and noted staff's design concerns, which it is considered can be satisfactorily addressed during the next design phase.

**ADOPTION:** IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-86 BE ADOPTED.

- (h) Resolution No. 315-86 requests authorization of Premium Payments to Curtis Day & Company in an estimated amount of \$70,650 for various Marina Operator's Liability Insurance and to R. Carrie Agency/Pacific Delta Insurance Agency in an amount of \$55,455 for Property Coverage in connection with the South Beach Harbor in Rincon Point-South Beach.

Mr. Kernan reported on item (h) as follows. The construction of the Harbor is nearing completion, with the official opening scheduled for November 1, 1986. The Agency is required to carry various types of insurance on the marina operation by virtue of its lease with the Port and the City, the loan from the California Department of Boating and Waterways, and the Revenue and Tax Allocation Bonds. The R. Carrie Agency, in cooperation with a specialty broker, Pacific Delta Insurance Agency, was able to obtain the most competitive quote for the property coverage and Curtis Day & Company was successful in putting together the most competitive and comprehensive package of Marina Operator's Liability coverage. Staff considers that the proposed coverages are both prudent and necessary and that the costs are reasonable.

Mr. Kernan noted that, as indicated in Commission memorandum dated October 7, 1986, the property coverage should be \$57,407 because the previous amount did not include compensation to Mr. Carrie.

The Commissioners noted their concern about the limited broker selection process and Mr. Mills, Deputy Executive Director, Community Services and Administration, indicated that there would be a broader solicitation in the future.

**ADOPTION:** IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-86 BE ADOPTED.

- (i) Resolution No. 316-86 requests authorization to make Individual Exceptions to Section VI.A.2.g. of the Agency Personnel Policy to carry forward Vacation Credit into a new Calendar Year for the next three years.

Mr. Kernan reported on item (i) as follows. This section limits the amount of vacation that can be carried forward into a new year to 240 hours with any excess hours being deducted from the employee's vacation account as of December 31. During the past

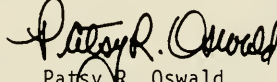
year, the press of the Agency's workload has put demands upon certain staff members that will not permit them to use sufficient vacation time before the end of the year to bring their hours down to the 240 hour level. It is therefore proposed that the Executive Director be authorized to make individual exceptions to this provision of the Personnel Policy and that, for administrative convenience, this authority be granted for a three year period, rather than on a yearly basis as has been done in the past.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:06 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

November 12, 1986



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF OCTOBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of October, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle (arrived 4:09 p.m.)  
Melvin D. Lee (arrived 4:15 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Allen C. Mills, Mills Carneghi; Peter Kelly, Bankers Trust Company.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Finance Committee will consider an item on their calendar on October regarding Pier 40 financing in the Rincon Point-South Beach Redevelopment Area. If passed, it should be before the full Board on October 20, 1986. The Commission will be kept advised.
- (b) The Marriott Hotel ground breaking ceremony will be held on October 23 at 8:30 a.m. This will commence Phase I of Yerba Buena Gardens.

NEW BUSINESS

- (a) Resolution No. 317-86 requests authorization of a Rental Agreement with Dillingham Construction N.A., Inc. for the Temporary Use of a portion of Block 732, located on the east side of Fillmore Street between Eddy and Ellis Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Dillingham, general contractor for the Cathedral Hill Plaza and the Fillmore Center Developers' projects, has requested permission to set up a portable trailer for administrative offices while the construction of the Fillmore Center is underway. On-site maintenance would be provided as required. Tenancy would be on a month-to-month basis at a rate of \$960 a month. The proposed temporary use is consistent with adopted Agency policy.

ADOPTED: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-86 BE ADOPTED.

- (b) Resolution No. 318-86 through and including Resolution No. 323-86 request authorization of Re-Entry into Exclusive Negotiations, until January 28, 1987, with six prospective developers of various lots in Site S-4 located on Carpenter Court and Lindsay Circle on Hunters Point Hill in Hunters Point.

Mr. Hamilton reported on item (b) as follows. These exclusive negotiations were most recently extended with eight S-4 developers, who propose to develop their homes as a group, to October 8, 1986. At the time these extensions were granted, in July 1986, Sherman and Earline Hill had not provided evidence of financing or a building permit but it was agreed that consideration would be given to allowing them to join the group development. However, the Hills have not attended any group meetings during the past three months and Mr. Hill continues to refer to developing his home individually. Staff therefore considers that Lot 8, which had been assigned to the Hills, is available for reassignment. Although staff has emphasized to all group members that it is necessary to attend all of the planned meetings, Mr. and Mrs. Oscar James and Dr. Gene Mabrey have not attended any of the meetings since March 1986. It is therefore considered appropriate to remove them from the group and consider the two lots as being available for reassignment. Consideration may be given to again including these developers in the group if it will not disrupt the time table of the other group developers. The analysis of the Purchasers Agreement by outside attorney, staff and the prospective Developer/Purchasers has taken longer than anticipated, resulting in the requested extension. However, staff remains confident that the group's proposed alternative approach will lead to the successful completion of homes on the S-4 lots. All potential developers on the S-4 waiting list were contacted in an effort to fill the unassigned lots, but only one indicated an interest. A program is therefore being developed to attract developers for the seven unassigned lots and to make the community aware of their availability.

NEW BUSINESS (continued)

Mr. Lee arrived at this time, 4:09 p.m.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-86 THROUGH AND INCLUDING RESOLUTION NO. 323-86 BE ADOPTED.

- (c) Resolution No. 324-86 through and including Resolution No. 330-86 request authorization of Amendments to the Personal Services Contracts with Rudolph Barker, Ray Carlisle, Marshall and Stevens, Inc., Mills Carneghi-Bautovich, Inc., James A. Porter, Real Estate Research Corporation; and a new Personal Services Contract with Jeanette Fung for Re-use Appraisal Services in connection with all Redevelopment Project Areas except Rincon Point-South Beach.

Mr. Hamilton reported on item (c) as follows. These appraisal services are necessary to provide the Agency with updated reuse appraisal valuations on disposition parcels and rehabilitation properties. It is estimated that during the remainder of 1986 and to the end of 1987, fifty-six appraisals will be required at an approximate total budgeted expense of \$128,000. This covers standard appraisals which determine the disposition value of a vacant parcel and includes rehabilitation properties which require three separate forms of appraisals for each parcel. Appraisals vary in cost depending upon the complexity of the assignment. An approximate total amount of \$28,000 remains unexpended in the contracts at this time, leaving a need for additional amendments estimated at \$100,000. The proposed amendments to the existing contract have an increase of \$15,000 per appraiser and the new contract proposed with Jeanette Fung is in an amount of \$10,000.

Ms. Susan Ranney, Senior Realty Agent, introduced the new appraiser, Ms. Jeannette Fung.

Ms. Berk inquired why the amounts for Yerba Buena Center are higher than for other projects. Ms. Ranney indicated that the appraisals for YBC are more complex.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-86 THROUGH AND INCLUDING RESOLUTION NO. 330-86 BE ADOPTED.

Mr. Hamilton requested that items (d) and (e) be held until the arrival of David Oster, Assistant Agency Counsel.

- (f) Resolution No. 333-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, and James H. Wilson, Project Director, Hunters Point, to attend the Pacific Southwest Regional Conference (PSWRC)/NAHRO Fall Workshop, November 16-18, 1986 at Anaheim, California, at a cost not to exceed \$1,230.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (f) as follows. Ms. Sause would participate as NAHRO Senior Vice President and Mr. Wilson would attend as a member of the PSWRC Board. This Workshop includes a number of sessions that are of significant interest to the Agency and its programs. Ms. Sause would be a speaker at two of the panel sessions. In addition, there will be a speech on Public Service by George C. Cook, Commissioner of Housing and General Manager of Cityhome, Toronto, Canada, as well as a meeting with Christine Diemer, Director of Housing and Community Development, to discuss the directions the State is taking. Cost to the Agency, including registration, air fare, hotel and per diem, will not exceed \$615 per person.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 333-86 BE ADOPTED.

- (d) Resolution No. 331-86 requests authorization of Bankers Trust Company, as the Investment Banker/Underwriter, to finance Phases I and II of the South Beach Harbor in Rincon Point-South Beach.
- (e) Resolution No. 323-86 requests authorization to execute documents for a Short Term Loan (Bridge Loan) in an approximate amount of \$18,630,000 in connection with the South Beach Harbor in Rincon Point South Beach.

Mr. Arnelle arrived at this time, 4:15 p.m.

The following is a summary of the memorandum provided to the Commission on items (d) and (e). "It is proposed to select the Bankers Trust Company to provide financing to refund an outstanding note issue of \$18,630 for the purpose of providing cash by October 16, 1986, in order for the the Agency to refund the currently outstanding note issue by November 1, 1986, and to provide new funds in the approximate amount of \$12 million for the development of Pier 40 and related work. Financing for the berthing facilities amounted to \$29.2 million and was provided by \$2.6 million in equity, an \$8.0 million Cal Boating loan, and \$18.6 million in three-year tax-exempt notes. The notes will mature on November 1, 1987 and bear an interest reate of 11%. Interest is payable on May 1 and November 1 each year, and the notes may be refunded on those dates without penalty. Tax reform legislation passed in September 1986 now allows the financing community to proceed with more definition of tax code requirements, even though the final regulations are still be drafted. Financing for the next phase of the South Beach Harbor needs to be obtained and the process of refunding the existing \$18.6 million note issue needs to be commenced. Therefore, proposals from seventeen investment banking firms were solicited. Following review of the proposals submitted, staff considers that Bankers Trust has the client base and responsiveness to address these complexities as well as the financial strength to make the

NEW BUSINESS (continued)

necessary commitments to allow the financing to occur. In addition, a very aggressive fee schedule is offered. Included in the Request for Proposals (RFP) was an offer of a letter of credit from the Mitsubishi Bank to provide security enhancement and a liquidity facility for a single, tax exempt issue with a principal amount not to exceed \$35 million. The new tax law precludes a single tax exempt issue and Mitsubishi has therefore been requested to consider that the letter of credit support two separate issues, on taxable and one tax exempt. A decision is still being awaited in this regard. How to achieve the refunding of the current \$18.6 million note issue by November 1, 1986 was an important factor to be addressed by the firms interviewed since, assuming a new average interest bond rate of 6½%, the savings through October 31, 1987 could amount to as much as \$800,000. In this connection Bankers Trust has offered to provide a one year bridge loan and to have the money available to the Agency by October 16, 1986. This would allow notice to be given to the current note holders of the intent to redeem the notes, which could then be accomplished by November 1, 1986. This loan would be a taxable note and bear an interest rate equal to the variable prime rate, and the origination fee would be based upon a percentage of the savings to the Agency from November 1, 1986 to May 1, 1987. Since the loan is a taxable, and Bankers Trust is using their own capital to make a loan rather than through a public offering, this would allow Agency Bond Counsel to prepare all the necessary documentation for the transaction by October 16. The bridge loan would be made without the Mitsubishi letter of credit as security and on the condition that revenues and tax increments from the Harbor are pledged for repayment as is the case under the existing note issue. Also, the Agency must covenant its best efforts to seek funding for repayment of the loan prior to its expiration. As the seventh largest commercial bank in the nation, Bankers Trust is a very substantial firm and provides both merchant and investment banking services. They have also indicated a willingness to include MBE participation in the public financing efforts and staff will work with them on that effort."

Mr. David Oster, Assistant Agency Counsel, reported on the nature of the actions that would be authorized by the adoption of the two Resolutions and summarized the terms of the Note that would be issued pursuant to item (e).

Commissioner Commons inquired about the interest rate that would be currently borne by the taxable Note, as well as what the current tax-exempt rate would be for this kind of security, and was advised 7½% and between 4 and 4½%, respectively. A discussion ensued between the Commissioners and Mr. Peter Kelly of Banker's Trust regarding the fee that the firm would receive for this transaction.

NEW BUSINESS (continued)

Mr. Hamilton advised that Banker's Trust has agreed to consider using the services of a qualified MBE/WBE firm in its structuring of the permanent financing, if requested by the Agency.

Commissioner Commons commended staff of its approach to this project financing and urged that permanent financing be obtained as soon as possible.

Mr. Oster requested authorization for the Executive Director to make changes to the resolutions, as necessary, and indicated that the Commissioners would be provided with copies of the revised resolutions.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 331-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 332-86 BE ADOPTED.

- (g) Resolution No. 334-86 requests authorization of Renewal of the Group Life Insurance Contract, with revised monthly premium rates, effective October 1, 1986 through October 1, 1988, with Standard Insurance Company.

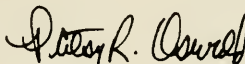
Mr. Hamilton reported on item (g) as follows. The Agency's group life insurance program is provided as an employee fringe benefit and the cost is shared equally between the Agency and the employee. The premium covers both group life insurance and accidental death and dismemberment (AD&D) with the latter providing a beneficiary benefit. The contract, which was awarded to Standard Insurance in 1982, was renewed in 1984 at the then existing rate structure. The broker for this coverage, William M. Mercer-Meidinger, Inc., has provided various benefits consulting services to the Agency over the past several years, including assistance on several major studies. In addition, this firm has advised the Agency on other benefit matters as they have arisen, in consideration of commissions earned on the group life policy. Standard Insurance originally proposed an increase of \$.04 per thousand in the term life; however, as a result of negotiations by Mercer-Meidinger, Standard has agreed to an increase of only \$.02. An increase is therefore proposed in the term life rate from \$.32 to \$.34 per thousand and a continuation of the AD&D rate of \$.04 per thousand. It is considered that Standard Insurance has prepared a fair and equitable rating which could not be improved upon by marketing the coverage.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 334-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a Closed Session on personnel. The meeting adjourned at 4:43 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

December 16, 1986



SF  
R35  
#4  
10/21/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF OCTOBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of October, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnette  
Charlotte Berk  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

Dorman L. Commons

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: James H. Hartl and H. Christian Bense, B & H Redevelopment; Katherine Nash, Rainbow Coalition; Dorothy Leach and John Riggins, Effective Security Service; Ocie Rogers, BVHP; Tom Numainville, Housing Associates; Martin Coren, Katz Hollis Coren & Associates; Chip Eady, Jones, Hall, Hill & White; David Bailey, Bankers Trust; and Stephen J. Melikian, Dean Witter.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors voted in favor of the Pier 40 financing in Rincon Point-South Beach Redevelopment Project Area at their meeting yesterday.
- (b) Just a reminder that the Marriott Hotel ground breaking ceremonies will be held October 23 at 8:30 a.m. at Stevenson Street between Third and Market Streets.
- (c) The refinancing arrangements of \$18.6 million for the South Beach Harbor project with Bankers Trust closed.

NEW BUSINESS

- (a) Resolution No. 335-86 requests authorization of a Second Amendatory Agreement to the LDA with B & H Redevelopment Group for 1225-1229 Divisadero Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Subsequent to authorization of an LDA in September 1985 for rehabilitation of this Victorian building as four residential units, a First Amendatory Agreement was approved in July 1986 extending the performance schedule to provide additional time to obtain financing. On September 1, 1986, the Developer provided a list of lenders to whom loan applications had been submitted but which had either been declined or rejected. The Developer was placed in default on September 10, 1986 for failure to submit satisfactory evidence of financing and given a thirty day cure period. The authenticity of a proposal by QED Group, a developer-building firm, to arrange construction financing as well as construction of the project, has been confirmed by staff and a copy of a letter form the Financial Center Bank to the QED Group stating their interest in providing interim construction financing is on record. The proposed Second Amendatory Agreement extends submission of evidence of financing from September 3 to December 10, 1986 and conveyance of the site from November 5, 1986 to January 10, 1987. The Developer is diligently endeavoring to obtain satisfactory financing and the requested extension is therefore considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 335-86 BE ADOPTED.

- (b) Resolution No. 336-86 requests authorization to distribute a Preliminary Private Offering Memorandum (Memorandum) and Various Other Documents in connection with the Agency's proposed issuance of \$30.5 million principal amount of Multifamily Housing Participating Revenue Bonds, 1985 Issue A-1, for the Fillmore Center Project in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Due to recently enacted federal tax reform legislation which precludes the Fillmore Center Developers from obtaining additional funding for the project through syndication, it proposes to raise the necessary funds through the further issuance of tax exempt bonds, which issuance has been authorized by the Board of Supervisors. The proposed Bonds will be special obligations of the Agency, repayment of which is limited to such revenues as may be available from the Project after payment of \$95 million bonds issued in 1985 and other expenses. There will be no security for the Bonds other than a subordinated mortgage on the property and the bonds therefore constitute an investment with a high degree of risk. The Agency has not made any evaluation of the degree of risk involved, nor does it represent that it is an acceptable one to bear. Nevertheless, the underwriter, Dean Witter Reynolds, Inc., fully expects to place the Bonds with a limited number of

NEW BUSINESS (continued)

knowledgeable institutional investors. The proposed resolution will enable Dean Witter to distribute the Memorandum and other significant documents to potential bond buyers. Commission approval to issue the Bonds will be requested at a future date.

David Oster, Assistant Agency Counsel, noted that the amount had been increased to \$30.8 million and that the Issue will be "F" instead of "A-1," which will be shown in the revised resolution. He also described other details of the transaction.

Mr. Chip Eady of Jones Hall Hill & White and Mr. Numainville of Housing Associates, Inc. responded to questions from the Commissioners.

Mr. Mardikian noted his concern about the commitment to community benefits should there be a default. Mr. Hamilton indicated that the community benefits would remain in place.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 336-86 BE ADOPTED.

- (c) Resolution No. 337-86 requests authorization to extend Exclusive Negotiations, until November 26, 1986, with BRIDGE Housing Corporation (BRIDGE) for Morgan Heights (Solomon Village) located adjacent to and northeasterly of Mariners Village in the vicinity of the Hunters Point Project Area.

Mr. Hamilton reported on item (c) as follows. Re-entry into exclusive negotiations was authorized in August 1986, until October 22, 1986, when a 1984 LDA expired under its own terms due to BRIDGE's inability to proceed with the project to provide housing for low and moderate income households. It is proposed to construct sixty-eight condominiums on the Agency-owned parcel and twenty-eight units on an adjacent Housing Authority-owned parcel at a average sales price of \$92,000. Funds are available to carry out the Agency's obligations with regard to site improvements. However, if for any reason the project does not go forward, these funds will not be expended. Additional time is required to finalize the LDA and for publication of the Public Hearing Notice, resulting in the requested extension.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 337-86 BE ADOPTED.

- (d) Resolution No. 338-86 requests authorization to extend Exclusive Negotiations until April 22, 1987, with the Concord Missionary Baptist Church for Parcel EB-1 located on the northerly side of Whitney Young Circle near Newcomb Avenue in Hunters Point.

Mr. Hamilton reported on item (d) as follows. In June 1986 exclusive negotiations were authorized, until October 24, 1986, for the construction of a church but, unfortunately, since that time, Mr. Gordon Jackson, the architect, has passed away. During

NEW BUSINESS (continued)

the proposed extension period, another architect will be selected, schematic drawings prepared, and the Agency will review other pertinent data to be provided by the Church.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 338-86 BE ADOPTED.

- (e) Resolution No. 339-86 requests authorization to Expend Funds for Effective Security Services, Inc. to provide Temporary Security Services for a ninety day period at South Beach Harbor in Rincon Point-South Beach.
- (f) Resolution No. 340-86 requests authorization to Expend Funds for Russell Personnel Services, Inc. and Wollborg Michelson Personnel Service, Inc. to provide Temporary Clerical Services for a ninety day period at South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on items (e) and (f) as follows. With the berthing facilities nearing completion and the harbor opening scheduled for November 1st, it is planned to staff the harbor twenty-four hours a day, seven days a week. It is anticipated that approximately seventy-two hours a week will be required for security and maintenance personnel and approximately fifty-six hours for office clerical/administrative personnel. It is proposed that Effective Security Services, a small minority business enterprise, provide the security services and Russell Personnel and Wollborg Michelson, two women-owned business enterprises, provide the clerical services. The past performance of these three firms has been highly satisfactory and they all carry Comprehensive General Liability in an amount of \$1 million which provides adequate protection for the Agency. Compensation would be on an hourly basis at approximate amounts of \$8.00 for the security services and \$11.90 for the clerical services for a total amount not to exceed \$17,000. Funds for these services will be paid first out of harbor operating revenues, backed up by development funds. It is considered that this procedure will provide an opportunity to better define permanent staffing needs based on actual operating conditions. During the initial start-up period a permanent staffing plan will be finalized and submitted to the Commission for consideration at a future date.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 339-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 340-86 BE ADOPTED.

- (g) Resolution No. 341-86 through and including Resolution No. 344-86 request that you consider making recommendations to the Board of Supervisors with respect to the Embarcadero-Lower Market (Golden Gateway), Yerba Buena Center (YBC), Hunters Point, and Butcher-town (India Basin) Redevelopment Project Areas.

NEW BUSINESS (continued)

Mr. Hamilton reported on item (g) as follows. Senate Bill 690, enacted in September 1985, added a new Section to the Health and Safety Code which requires that Redevelopment Plans adopted prior to October 1, 1986, which contain tax increment provisions, now be restricted by placing a limitation on the amount of tax increment funds that may be divided and allocated under the Plan; time limits for the establishment of indebtedness to finance a project; and a time limit to commence eminent domain proceedings to acquire property. The Bill imposes a necessity to adopt an ordinance which includes all of these requirements by December 31, 1986. To satisfy the requirements of the Bill, it was determined that the time limitation on the establishment of indebtedness for each project should be the date of expiration of the redevelopment plan, and that the time limitation for the beginning of eminent domain proceedings should also be the expiration date of the redevelopment plan or 12 years from adoption of this limit by the Board of Supervisors, whichever occurs first. Since the major public policy contained in this Bill is the limitation of the amount of tax increment funds to be allocated to each of the four projects, Katz Hollis Coren & Associates was retained to advise on what the limitations might be. The consultant was given several options to work with in order to depict a broader range of policy choices and those are shown on the bar graphs attached to your memo. After discussions internally, it was determined that not less than the minimal or "no bond" approach should be chosen in each case. The following are recommended as the amounts of tax increment funds that may be allocated to the Agency for each project and shall not be less than: \$26.1 million for the Embarcadero/Lower Market (Golden Gateway); \$372.9 million for the Yerba Buena Center; \$15.1 million for Hunters Point and \$11.9 million for Butchertown (India Basin). Should the Commission decide at a future date to combine several projects into a single project, the tax increment limitation could be raised at that time.

Mr. Tom Conrad, Chief, Planning and Programming, noted the presence at the meeting of Mr. Martin Coren, Katz Hollis Coren & Associates, who advises that the Commission should understand that these limits are prospective and that they will be starting from ground zero now and collecting against that limit from this point forward. It does not count any increments that might have been received in the past, such as in YBC.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 341-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 342-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-86 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-86 BE ADOPTED.

- (h) Resolution No. 345-86 requests authorization to Waive Section V.F.3.b. of the Agency Personnel Policy to permit an increase in the Annual Compensatory Time Off Limit for Robin Paige Donoghue to attend State Bar Meetings.

Mr. Hamilton reported on item (h) as follows. Effective October 1986, Ms. Donoghue was elected to the State Bar of Governors for a one year term. Because of the necessity to attend meetings, her compensation and work schedule will be reduced to thirty-two hours a week and she seeks to use accrued compensatory time. Since Section V.F.3.b. of the Personnel Policy restricts use of compensatory time off to 120 hours in any calendar year, it is proposed that Ms. Donoghue be permitted to use up to an additional 120 hours of compensatory time annually through the calendar year 1987 but only for the purpose of attending State Bar Meetings.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,

Patsy R. Oswald  
Agency Secretary

APPROVED

November 25, 1986

SF  
R35  
#4  
10/28/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF OCTOBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of October 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnette (arrived 4:15 p.m.)  
Charlotte Berk (arrived 4:10 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Johanna Mergenthal; Leroy Hogg; Ocie Rogers; James San Jule, Fillmore Associates, Inc.; Jerome Wright; Jean Ashford; Annie Reynold; Neva Mason; Charlie Fowler; Katherine Nash, Rainbow Coalition; Rick Okamura; Eugene Huang; Errol Hall; Donald Jones; Craig Patterson, Focus Property Management Co.; John H. Yerman.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The ground breaking ceremonies for the new Marriott Hotel in YBC occurred October 23rd with the Mayor, Commissioners and Mr. Marriott in attendance and were very successful. This begins Phase I of Yerba Buena Gardens.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Proposed Redevelopment Plan Amendment for the Western Addition Project Area in connection with the Western Addition A-2.

NEW BUSINESS (continued)

Resolution No. 346-86 requests authorization of a Proposed Amendment to the Western Addition A-2 Redevelopment Plan and its transmittal to the City Planning Commission and the Board of Supervisors.

- (b) Resolution No. 347-86 requests authorization of transmittal of an Addendum to the Report on the Plan to the Board of Supervisors.

Mr. Hamilton indicated that items (a) and (b) would be substituted by Off Agenda items and requested that they be withdrawn. There is now an agreement with the Board of Supervisors to hold a joint public hearing with the Agency on the proposed Plan Amendment.

The President declared the Public Hearing cancelled.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, items (a) and (b) would be withdrawn. There being no objection, it was so ordered.

- (c) Resolution No. 348-86 requests Conditional Approval of the Preliminary Construction Documents for the Fillmore Center Developers' development on Parcels 726-A, 731-A, 750-A, 707-A and a portion of the vacated Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. Subsequent to authorization of a LDA in November 1985, the Schematic Drawings for this residential project were conditionally approved in April 1986 and in August 1986 the Preliminary Construction Documents were submitted for review. Although substantial progress has been made during this phase, a number of design concerns remain unresolved and discussions are being held with the developer and his architect to determine an acceptable schedule as to how and when these concerns will be addressed.

Ms. Berk arrived at this time, 4:10 p.m.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns which it is considered can be satisfactorily addressed during the next design phase.

Mr. Arnelle arrived at this time, 4:15 p.m.

Mr. Ong further indicated that, in order to maintain the project's schedule, specific items had been broken down into two groups. The first list of concerns require a response from the developer and his architect by November 30, 1986 and the second list requires a response by January 30, 1987.

Mr. Tony Lumsden, DMJM, indicated that the developer and his architect are in general agreement with Mr. Ong's comments.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 348-86 BE ADOPTED.

- (d) Resolution No. 349-86 requests authorization of a Third Amendment to the Easements with Covenants and Restrictions Affecting Land (ECR) governing the Safeway Store, Office Building and proposed WCP I housing construction on common areas associated therewith in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. This ECR, recorded in 1982, controlled the use of land conveyed to Safeway for the store and office building and related common areas as well as the property retained by the Agency and common areas. A First Amendment, approved in December 1985, clarified the right of WCP I to construct housing on the site adjacent to the public walkway. A Second Amendment, approved in May 1986, clarified certain matters in the First Amendment, put particular controls on the use of the public walkway, and re-enforced an eighty parking space requirement relating to the office building. It is anticipated that the Second Amendment will be recorded when the office building is purchased by WCP II on or about October 31, 1986. The ECR covers four parcels, one of which has been conveyed to WCP I for the construction of housing and ground floor retail and in this connection the Third Amendment proposes changes to the ECR principally relating to: permitting underground parking under a portion of the plaza near Geary Boulevard; the installation of an exterior, observation-type elevator which will extend over a portion of the public walkway; and to the construction and maintenance by WCP I of a terraced, split-level entry. In addition, since it is the intention of WCP I to use the public walkway for temporary vehicular ingress and egress during construction, this will be specified in the Third Amendment. It will also require that any damage, removal or alteration to or of the public walkway improvements will be repaired and the walkway restored to a condition which is acceptable to the Agency. Authorization is therefore recommended to execute the Third Amendment to the ECR by the Agency conditioned on the other parties executing same, and it becomes effective only upon recordation. Also, as is customary, changes may be made which are approved by the Executive Director and Agency General Counsel which do not materially affect the substance or the intent of the Resolution, or restructure the obligations of the Agency.

Ms. Berk inquired if there is language in the ECR that protects the public walkways, to which Mr. Borregard, Agency General Counsel, replied affirmatively and indicated that the public walkways must be restored to the quality of the original plans which are referenced in the ECR.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 349-86 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 350-86 requests authorization of a Third Amendment to the Agreement for Legal Services with Lee and Hui in connection with all approved Redevelopment Project Areas.

Mr. Hamilton reported on item (e) as follows. The original contract, authorized in June 1983 in an amount of \$25,000, was increased by \$15,000 in October 1984 and the insurance provisions were revised in September 1986. Billings are currently being held in connection with the successfully handled 1985 Ellis Street evictions and the settlement of the Emeric-Goodman Associates v. RACCSF action. Activity has recently resumed in the Jamerson v. Jamerson case, which this firm is defending. To cover the outstanding billings and to provide for ongoing services in the Jamerson case, it is proposed to increase the contract amount by \$35,000 for a total maximum contract of \$75,000.

Mr. Arnelle inquired about the firm's affirmative action program and Earl P. Mills, Deputy Executive Director, Community Services, indicated that this is a two-person firm and both are minorities.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-86.

- (f) Resolution No. 351-86 requests authorization of a First Amendment to the Personal Services Contract with KMG Main Hurdman and Izabel, Bernaciak, and Yamamoto for the Audit of the Agency's Financial Records for the years ending June 30, 1986, 1987 and 1988.

Mr. Hamilton reported on item (f) as follows. At the time this contract was authorized in June 1986, additional reporting requirements to comply with the 1984 Single Audit Act (Act) were not contemplated. After considerable discussion with the Mayor's Office of Community Development, it is proposed to undertake the additional requirements in order to assure complete compliance with all regulations. The First Amendment would add compliance with the Act to the Scope of Services and increase the compensation payable by \$10,000 for a total contract amount not to exceed \$85,000 for the three year period.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 351-86 BE ADOPTED.

- (g) Resolution No. 352-86 requests authorization to Establish a Checking Account with Mitsubishi Bank of California in connection with the South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on item (g) as follows. Previously established bank accounts in various depositories are either legally required and do not permit the comingling of the various funds or are segregated for control purposes. The Harbor Project

NEW BUSINESS (continued)

will be the first revenue-generating "for profit" activity for the Agency, rather than "funded". Because these funds are restricted, it is proposed to establish a separate bank account specifically for the purpose of tracking the financial operations for the Harbor. All disbursements will be made in accordance with Agency policy and the signators will be those previously approved by a Resolution adopted in 1983.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 352-86 BE ADOPTED.

- (h) Resolution No. 353-86 requests authorization to pay a Premium in an amount of \$1,880.62 to Richard N. Goldman & Co. for an Office Contents Insurance Policy.

Mr. Hamilton reported on item (h) as follows. This policy provides coverage against all risks of physical loss or damage to office contents, subject to certain exclusions such as earthquake, flood or war. The office contents, excluding data processing equipment which is insured under a separate policy, has been valued at \$500,000. The policy includes a valuable papers limit of \$200,000 as well as an extra expense limit set at \$100,000 during the time necessary to repair or replace damaged property. The selection of Richard N. Goldman as the broker is proposed because this quote from Hartford Insurance was the only one received by October 24th when the insurance was needed to be bound to provide for continuous coverage. In the event the R. Carrie Agency obtain a quote from Aetna in a lesser amount, including the short rate cancellation penalty, then staff would recommend the acceptance of that quote.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 353-86 BE ADOPTED.

- (i) Resolution 354-86 requests authorization of Certain Administrative Actions in connection with the Gann "Fair Pay Amendment" Initiative, State Proposition 61.

Mr. Hamilton reported on item (i) as follows. If this Proposition is approved on November 4, 1986, the salaries of fifteen Agency employees earning over \$64,000 would be immediately reduced which, over a period of time, would result in reduced pension benefits. The option to carry vacation and sick leave from one calendar year to the next would also be eliminated. At the current rates of pay employees have accumulated sick leave valued at \$960,250 and vacation valued at \$428,300. A reduction in the rate of pay would immediately reduce the value of these benefits to employees. It is unclear from the Initiative language whether "compensation" includes only salaries or whether it is intended to incorporate fringe benefits. If the benefits are included, the annual allowable salary would be reduced to approximately \$49,000. Because of the

NEW BUSINESS (continued)

need for clarification of this provision, it would have to finally be determined by the courts. It has been Agency policy to maintain comparable salaries to those of the City and a reduction would be certain to have a direct adverse effect upon the recruitment and retention of quality employees at all levels. In order to allow any of the Commission appointees facing a salary reduction to protect the value of earned vacation and sick leave accrued prior to July 1980, it is proposed to authorize the Executive Director to accept conditional resignations and retirements effective November 3, 1986 and to accept withdrawal of those actions in the event of the Proposition's defeat. A similar action has been taken by the City to protect its employees' benefits.

Mr. James Nybakken, Administrative Services Officer, responded to questions from Commissioner Commons regarding the extent employees will be affected in the event Proposition 61 passes. Mr. Commons stressed the importance of Management developing a Damage Control Program should the Proposition pass.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 354-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 355-86 requests authorization to submit the Proposed Western Addition A-2 Redevelopment Plan Amendment, and approving and authorizing submission of the Report on said Proposed Amendment, to the Board of Supervisors of the City and County of San Francisco; and Consenting to and Requesting a Joint Public Hearing.
- (b) Resolution 356-86 requests authorization to submit the Proposed Western Addition A-2 Redevelopment Plan Amendment to the City Planning Commission of the City and County of San Francisco.

Mr. Hamilton reported on items (a) and (b) as follows. Time restraints require that these actions be taken now. The first action is composed of several parts and is contained in Resolution No. 355-86: (1) Authorize the transmittal of the proposed Plan Amendment to the Board of Supervisors. (2) Approve the Report on the Plan Amendment. You have previously received it (it was entitled "Addendum"). The report will be in the form you have received with some minor adjustments to the Title Page and Preface Page. (3) Authorize transmittal of the Report to the Board. (4) Consent to a joint public hearing and request the Board hold such a joint hearing. (5) Authorize the Executive Director to make the necessary unsubstantive changes to related documents.

MATTERS NOT APPEARING ON THE AGENDA (continued)

The second action is to authorize the transmittal of the proposed Plan Amendment to the Planning Commission. This is Resolution No. 356-86. This transmittal must be made before the proposed Plan Amendment is submitted to the Board of Supervisors.

Mr. Tom Conrad, Chief, Planning, Housing and Reprogramming, described changes to the proposed Plan Amendment in detail.

Mr. Borregard, Agency General Counsel, requested this action include authorization for the Executive Director to make minor unsubstantive changes to the resolutions.

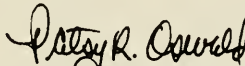
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 355-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 356-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

December 9, 1986



SF  
R35  
#4  
11/4/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
4TH DAY OF NOVEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of November, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnette (arrived 4:10 p.m.)  
Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Mr. Joseph Landry, Father Patrick Lewis, Mr. Bill Rumpf, and Mr. Sanford Hirshen, Access to Housing, Inc.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of August 19, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of September 2, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session of September 16, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of September 23, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of October 14, 1986, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of October 21, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the Closed Session of October 28, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton is on vacation and will return to the office on November 12.
- (b) The Agency's office will be closed on November 11 in observance of Veteran's Day. The Regular Agency Meeting will therefore be held on November 12 at 4:00 p.m.
- (c) The South Beach Harbor was opened for occupancy on November 1st. There are now about 80 boats berthed there with 160 leases signed. The Grand Opening Festival and Harbor Dedication will take place at 12 noon on November 15. There will also be a Yacht Race conducted by the Women's Racing Association for the South Beach Harbor Cup, which we hope will be an annual event. You are urged to join us that day in celebrating this occasion.
- (d) On November 3rd, Supervisor Kennedy introduced on roll call and a motion was passed to conduct a Joint Public Hearing on the proposed Western Addition A-2 Plan Amendment with the Board of Supervisors and Redevelopment Agency Commissioners on December 8 at 4:00 p.m.

Mr. Arnelles arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) and (b) Public Hearing to hear all persons interested in granting a Variance on Density and a Variance for Off-Street Parking Requirements for Parcel 780-H in the Western Addition A-2.
- (c) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 780-H in the Western Addition A-2.

Resolution No. 357-86 requests authorization to grant a Conditional Variance to the Density Requirements of the Western Addition A-2 Redevelopment Plan (Plan) to Access to Housing, Inc. (formerly Catholic Social Services, Inc. - CSS) For Parcel 780-H located on the northeast corner of Fillmore and Fulton Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Resolution 358-86 requests authorization to grant a Conditional Variance to the Off-Street Parking Requirements of the Plan to Access to Housing, Inc. for the parcel as mentioned in item (a).

Resolution No. 359-86 requests authorization of an LDA with Access to Housing, Inc. for the parcel as mentioned in item (a).

President King opened the Public Hearings to hear all persons interested in these matters.

Mr. Kernan reported on items (a), (b) and (c) as follows. In June 1986 exclusive negotiations were authorized for the construction of twenty-five housing units for low-income physically handicapped persons. The project consists of a three-story building containing seven studios and eighteen one-bedroom units over an underground garage. As required by HUD, CSS has formed a separate non-profit single asset borrower corporation called Access to Housing, Inc. for the purpose of developing and operating the project. A fund reservation for twenty-five units has been obtained from HUD and loan authority has been reserved in an amount of \$1,414,200, along with Section 8 contract authority of \$205,200. The developer estimates that an additional \$450,000 to \$500,000 will be required in addition to the loan amount and an application for \$497,000 has been submitted to the Mayor's Office of Housing and Economic Development. If the full amount requested is not obtained, then the developer will raise the necessary funds. The fair reuse value of this parcel has been determined to be \$225,000. However, because the project utilizes HUD's Section 202 and Section 8 financing, HUD's 107 valuation procedure has been used to obtain a disposition price of \$12,500 or \$500 per unit. Since the project is restricted to low-income physically handicapped residents, the LDA provides that the differences between the restricted land price and the fair reuse value will be recaptured should the nature of the project change. The proposed performance schedule calls for submission of evidence of financing by January 13, 1988 and conveyance of the site by February 10, 1988. Upon submission of the Basic Concept Drawings, which are considered to be satisfactory subject to certain design concerns being resolved during the Schematic Design Phase, the developer requested density and parking variances. The Plan, adopted in 1964, does not address density or parking requirements with regard to housing for the handicapped. However, the City Planning Code, in apparent recognition for the need for housing for the elderly and handicapped, requires one parking space for every five units and also allows a doubling of the normal permitted density for such projects. It is therefore proposed to grant a variance to permit thirteen parking spaces, rather than the presently required twenty-five and to permit a ten percent increase in the number of Agency rooms from sixty-two to sixty-eight. Thus, the project as currently designed, although exceeding the Agency Room Count, realistically does not result in

NEW BUSINESS (continued)

a larger project than normal in terms of bulk and mass, because of the very small unit size, and does not have a negative impact on Fillmore Street. Also, requiring the Developer to strictly adhere to the density and parking requirements of the Plan would deprive the City and the Agency of some low-income units for the handicapped which are in extremely short supply.

Mr. Joseph Landry and Father Patrick Lewis spoke in favor of the items.

There being no further persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

Mr. Newman inquired regarding the size of the units and how they vary from normal size units. Mr. Sanford Hirshen, Architect, replied by giving the HUD maximum unit sizes of 540 square feet for the one-bedroom units and 415 square feet for the studios. He also noted that the building is about one third smaller than a conventional building. Mr. Newman also inquired if the units are livable and comfortable. Mr. Hirshen indicated that they are the minimum acceptable.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 357-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 358-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 359-86 BE ADOPTED.

- (d) Resolution No. 360-86 requests authorization to extend the Conveyance Date to December 14, 1986, to the LDA with Robert and Dorothy Clay for 1985 Ellis Street, in the Western Addition A-2.

Mr. Kernan reported on item (d) as follows. In June 1985 an LDA was authorized for the rehabilitation of this three-story Edwardian to be constructed as a twelve unit apartment building. Subsequently, a First Amendatory Agreement, authorized in March 1986, revised the performance schedule and in August 1986 the conveyance date was extended to October 27, 1986, to allow time to finalized financing arrangements and the construction agreement. A conditional loan commitment for construction financing is contingent upon the lender's receipt of a new appraisal reflecting a certain value. However, the new appraisal indicates a lower value than anticipated and the lender is now requiring the developer to collateralize additional assets against the loan. In this connection, the developer's mortgage broker has indicated an additional four to six weeks is necessary to finalize the documentation. In addition, the developer is working with his contractor to reduce construction costs by

NEW BUSINESS (continued)

deleting certain amenities. Since the Clays are diligently endeavoring to resolve these outstanding issues, the requested extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 360-86 BE ADOPTED.

- (e) Resolution No. 361-86 requests authorization to Extend the Conveyance Date from October 29, 1986 to December 14, 1986, with Rody Leano for 908 Steiner Street in the Western Addition A-2.

Mr. Kernan reported on item (e) as follows. In June 1985 an LDA was authorized for the rehabilitation of the subject property. First and Second Amendatory Agreements were approved in March and August 1986 respectively to provide additional time to obtain financing for the project. Although all pre-conveyance requirements have now been met, escrow did not close as scheduled on October 29 because a building permit had not been issued which was due to uncertainty as to whether structural calculations would be required. On October 31, 1986, the Building Inspector informed staff that due to the extensive rehabilitation to the property, the permit cannot be issued and the Developer's Plan must conform to the current building codes regarding seismic requirements. To accomplish this will take an additional forty-five days and the requested extension is therefore considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 361-86 BE ADOPTED.

- (f) Resolution No. 362-86 requests authorization to extend Exclusive Negotiations, until November 26, 1986, with Alvin Dworman dba S.F. Development Co. for Parcel 3751-Q located on the southwest corner to Third and Folsom Streets in Yerba Buena Center.

Mr. Kernan reported on item (f) as follows. Although the LDA has now been finalized, legal documents are being prepared to form a new developer entity, Adco-Folsom Associates, with Alvin Dworman as the general partner. It is anticipated that the LDA public hearing can be scheduled for November 18, 1986. However, it is considered appropriate to provide an additional week in the event that there is any delay in the completion of the documentation.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 362-86 BE ADOPTED.

- (g) Resolution No. 363-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C., December 5-7, 1986, to attend the NAHRO Board of Governors' Meetings at a cost not to exceed \$800.

NEW BUSINESS (continued)

Mr. Kernan reported on item (g) as follows. This is the last Board of Governors meeting for 1986 and Ms. Sause will participate in her capacity as Senior Vice President of NAHRO. This agenda will focus on key program issues for 1987, reviewing and approving a work and financial plan and budget for 1987. As incoming President of NAHRO, it is important for Ms. Sause to begin establishing an orderly process for the transition of leadership. Because of the critical need to maintain a strong NAHRO presence, it is necessary that the incoming officers be able to be immediately effective in order to maintain continuity in the Association. Cost to the Agency, including air fare, hotel and per diem, will not exceed \$800.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 363-86 BE ADOPTED.

- (h) Resolution No. 364-86 requests authorization to Enter into a Six Month government Office Equipment Rental Agreement with Pitney Bowes, Inc.

Mr. Kernan reported on item (h) as follows. The Postage Meter currently used by the Agency is approximately twenty years old and frequently malfunctions. The proposed agreement would be entered into with the intent to purchase a new Pitney Bowes Model 6274 Automatic Feed Mailing Machine providing it proves to be satisfactory at the end of the six month term. To purchase the system outright would cost \$4,044 plus tax; however, this would not allow staff the opportunity to experience it in actual day-to-day operation and become familiar with its features before committing to the purchase. The monthly rental cost, including service, for the complete system would be \$161.76 plus tax and \$46.25 for rental of the "phone" postage meter which can only be rented and would therefore continue even if the equipment is purchased. All of the monthly system rental for the first three months, and ninety percent for the second three months, can be credited towards its purchase, resulting in a remaining purchase price of \$3,062 plus tax. The only ongoing cost would be the meter rental and annual maintenance totalling approximately \$72 a month, rather than the \$46.93 presently paid. The capability of the new system to process mail semi-automatically should enable one person to process a quantity of mail that normally requires a minimum of two people. In addition, the savings to be realized from the more accurate scale/meter combination would be significant. In view of the advantages of the new mailing system, the proposed rental agreement and the intent to purchase the equipment upon determination of its acceptability, is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-86 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 365-86 requests authorization to Pay a Premium in an amount of \$40,571 to Curtis Day & Co. for a Replacement Automobile Liability Insurance Policy.

Mr. Kernan reported on item (i) as follows. During 1986 total premiums on an annualized basis amounting to approximately \$55,691 to Curtis Day were approved for a combined liability limit of \$1 million which is the level required by the Agency's Agreement for Community Development Program Services with the City. Following placement of the policies, one of the insurance companies advised that without twenty-four hours notice of any business travel beyond fifty miles of San Francisco, the policy would not be in effect. Curtis Day has now obtained a quote of \$40,571 from Safeco Insurance Company for the \$1 million combined bodily injury and property liability limit, which does not contain a travel limitation. It is therefore proposed to place the coverage with Safeco instead of under the two other policies previously obtained. Safeco is a top rated company and the savings substantial, even with the \$5,000 cancellation penalty the annual premium savings with the Safeco policy are over \$15,000. Therefore, from a financial and coverage standpoint, the replacement policy is desirable.

Mr. Newman inquired if there were any other quotes obtained. Mr. Nybakken, Administrative Services Officer, indicated that one other quote had been received which was not as favorable as that from Safeco.

Mr. Commons noted that the short term penalty should be recovered as staff was not informed of the mileage limitation until after obtaining the insurance. Mr. Nybakken agreed and indicated he would look into the matter.

Mr. Newman noted his concern about the limited selection process and the need for broader solicitation. Mr. Nybakken indicated that he and Mr. Mills have been working with the Agency's Risk Management Consultant to develop a broker selection process to address this concern and will report to the Commissioners on the process in the near future.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 365-86 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 366-86 requests authorization of a Fumigation Contract with Lingruen Associates for 1353-1367 Eddy Street in the Western Addition A-2.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Kernan reported on item (a) as follows. In September 1986 when an expenditure of \$5,300 to Lingruen Associates was authorized to fumigate the subject building to prevent further damage due to beetle infestation, it was anticipated that payment would be made by a purchase requisition. However, in view of the sensitive nature of this work, specifically concerning public safety, staff subsequently determined that a formal contract would be in the best interests of the Agency. The contractor will be required to provide copies of applicable permits, certificates of insurance prior to start of fumigation, pay prevailing wages, guarantee the work for one year and provide indemnification normally required in Agency contracts. The work is scheduled to be performed on November 13, 1986 which will allow time for preparation and execution of the contract.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 366-86 BE ADOPTED.

- (b) Resolution No. 367-86 requests authorization of Extension of Time for WDG-IV Sutter/Steiner and Roosevelt and Altheda K. Carrie to Satisfy the Conditions of Resolutions 196-86 and 197-86 in connections with Parcels 683-D(1) and 683-D(2) located on the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

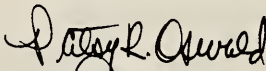
Mr. Leo Borregard, Agency General Counsel, indicated that an extension of time was authorized from August 5 to November 5, 1986. There is now a request to extend the bankruptcy period to January 7, 1987. An earlier time extension is required for the signing off of documents, namely, November 12 at 5:00 p.m. at which time all documents should be signed by the developers.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 367-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

December 9, 1986

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11/12/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
12TH DAY OF NOVEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of November, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle  
Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Barbara M. Turner, Turner Developers; Harry Overstreet, Gorson & Overstreet; Tom Numainville, Housing Associates, Inc.; Stephen Melikan, Dean Witter Reynolds, Inc.; Chip Eady, Jones Hall Hill & White; Stephen Finn and Sue Diamond, Brobeck, Phelger & Harrison.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of September 30, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of October 7, 1986, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On November 15, 1986, the Grand Opening of the South Beach Harbor will be celebrated with an official ribbon-cutting at 12 noon, Pier 40. The festivities will conclude with a yacht race and an awards presentation planned when the race ends.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The groundbreaking ceremony to announce the start of construction for the Cathedral Hill Plaza West Project will be held on November 18, 1986 on Geary Boulevard and Fillmore Street at 11:45 a.m.
- (c) CDBG hearings were held today before a Joint Committee of Finance and Planning, Housing and Development. With regard as to how Central Relocation Services is to be funded, the matter was really put over with the expectation that Central Relocation Services will be funded out of a special setaside that the Mayor identified some time ago. This is not CDBG money but general fund money of \$1 million, out of which will come the funds to fund the activities of CDBG. At issue is at what level is it to be funded and to what extent will the Agency be asked to provide from its own resources funds to defray those costs. The Budget Analyst for the Board of Supervisors has suggested that the Agency be asked to provide considerably more than even the Office of Community Development had indicated; however, the Board of Supervisors is carrying the matter over pending the allocation of that \$1 million, with the expectation that \$150,000 would be available to the Agency. That will still require the Agency to fund some of the activities out of its own resources. The Agency's position will be that it ought to be independently funded and you will be advised of the outcome.

NEW BUSINESS

- (a) Resolution No. 368-86 requests Conditional Authorization of Issuance, Sale and Delivery of Multifamily Participating Revenue Bonds (Bonds), 1985 Issue F, for the Fillmore Center Project (Project) in the Western Addition A-2, in the Aggregate Principal Amount of Approximately \$30.8 million.

Mr. Hamilton reported on item (a) as follows. On October 21, 1986, Dean Witter Reynolds, Inc., as the underwriter, was authorized to distribute a Preliminary Private Offering Memorandum in connection with these Bonds. The transaction and the relevant documents are now in a form sufficiently final so that it is appropriate to seek your approval. The Issue F Bonds will be in a principal amount of \$30.8 million with a term of twenty-one years at an interest rate of 15%. The security for the Bonds is a subordinated mortgage on the Project and their repayment source is limited to cash flow from the Project available after the payment of debt, service, taxes, insurance and other specific operational expenses. The Bonds are special obligations of the Agency and neither the faith and credit of the Agency nor of the City are pledged to their repayment. Agreement has been reached in concept with the Federal National Mortgage Association and Citicorp Real Estate on their requested changes to the LDA for the Fillmore Center which adequately protect the Agency and satisfy the lender's concerns in the event it is necessary to foreclose on the Project. However, the precise

NEW BUSINESS (continued)

language of a Third Amendatory Agreement to the LDA which is a necessary prerequisite to actual bond issuance is not expected to be available prior to November 18, 1986. Your approval of the Bonds is therefore so conditioned. The action being requested by the subject resolution will enable Dean Witter to begin marketing the Bonds, conditioned of course upon approval of the Third Amendatory.

David Oster, Assistant Agency Counsel, who handles these issues is not present today, due to a broken leg sustained in a recent accident.

Mr. Stephen Melikian, Dean Witter Reynolds, Inc., responded to questions from Commissioner Commons regarding how the interest rate works. Mr. Hamilton, Mr. Tom Numainville, Housing Associates, Inc., and Mr. Chip Eady, Jones Hall Hill & White, responded to questions from the Commissioners regarding other details of the transaction.

Mr. Mardikian questioned whether lack of payment on the \$30.8 million could result in the \$95 million first bond issue going into default, thereby triggering foreclosure of the project. Mr. Chip Eady indicated that lack of payment on the \$30.8 million would not affect the first bond issue.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 368-86 BE ADOPTED.

- (b) Resolution No. 369-86 requests authorization of an Amendment to the City/Agency Agreement for Administration of the Fillmore Neighborhood Commercial Development Project (UDAG) in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. An amendment to this Agreement, approved in April 1986, anticipated an unconditional conveyance of Parcel 708-B, the proceeds of which were to be used to reimburse the Rincon Point-South Beach project in an amount of \$1,343,000 by October 1, 1986. A delay was incurred when Western Commercial Partnership I (WCP I), the purchaser of the parcel, pursued a design/build approach which was subsequently abandoned. A new architect has now been retained, revised plans prepared, and an acceptable bid received from Dillingham Construction Company; however, this process has been time consuming and it is proposed to extend the time for reimbursement to December 31, 1986. WCP I has prepared preliminary construction documents which are presently being reviewed and have cleared an existing structure on the parcel and several actions pending regarding encroachments on the plazas and walkway and Agency parking requirements are expected to be resolved by the end of November 1986, permitting commencement of construction and the occurrence of an unconditional conveyance. The proposed extension to December 31, 1986 should therefore

NEW BUSINESS (continued)

provide sufficient time for unforeseen delays. HUD's Regional Office has requested that the Agreement be amended regarding the conveyance date for the subject parcel.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 369-86 BE ADOPTED.

- (c) Resolution No. 370-86 requests authorization of a Third Amendatory Agreement to the LDA with Oscar and Barbara Turner for 1915 Eddy Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. Subsequent to authorization of an LDA in July 1985 for the rehabilitation of the subject property, First and Second Amendatory Agreements were approved in September 1985 and April 1986 respectively, extending the performance schedule. To date, all preconveyance requirements have been met, with the exception of obtaining financing. The lenders with whom the developers have been working do not consider that the project is feasible as presently designed and have suggested the elimination of certain amenities and the division of one large unit into two units, for a total of four. The four unit configuration meets the requirements of the Redevelopment plan. However, this change will involve considerable backtracking since the final plans and construction bids were based upon a three unit design. The proposed revised performance schedule extends the dates for submission of evidence of financing from August 23 to December 24, 1986 and conveyance of the site from September 30, 1986 to January 23, 1987, which is the LDA absolute conveyance date. The developers are aware of staff's concern that the revisions will be difficult to accomplish by this date and that any further extensions may be conditioned upon an updated land price. Since the Turners are working to conclude their obligations under the LDA and have been disadvantaged by their transfer to Oregon during the development process, the requested extension is considered to be appropriate.

Mrs. Barbara Turner, Developer, appeared before the Commission and indicated that it is intent to meet the deadline of January 23, 1987.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 370-86 BE ADOPTED.

- (d) Resolution No. 371-86 requests authorization of a Contract with Brobeck, Phelger & Harrison in an amount of \$100,000 in connection with Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. The firm will provide the negotiations and legal support services for the YBG Disposition and Development Agreement (DDA) previously provided

NEW BUSINESS (continued)

by the Steefel, Levitt & Weiss firm. The Steefel firm has withdrawn from their contract. It is proposed to enter into a contract with Brobeck, Phelger & Harrison, which specifically commits the services of Stephen F. Finn, who is a highly qualified attorney in real estate development. The Brobeck firm's rates are comparable to other law firms in San Francisco having the required skill and expertise. Its affirmative action program is considered to be satisfactory and significant efforts have been made over the past four years to increase the number of minority lawyers.

Mr. Stephen Finn introduced his Associate, Ms. Sue Diamond. Mr. Finn responded to various questions from the Commissioners and reported on the status of the transition to date.

Mr. Borregard, Agency General Counsel, indicated that Mr. Steefel has been most cooperative and any overlapping costs involved in the transition will be kept to a minimum.

Ms. Berk inquired if the matter had been brought to the attention of Mr. Arnelle in view of his concern regarding affirmative action programs. Mr. Borregard indicated that Mr. Arnelle had been provided with a copy of the memorandum and it was his understanding that Mr. Mills, Deputy Executive Director, Community Services, had spoken to Mr. Arnelle on the subject.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 371-86 BE ADOPTED.

- (e) Resolution No. 372-86 requests authorization of a Seventh Amendment for Legal Services with Shute, Mihaly & Weinberger in connection with All Redevelopment Project Areas except Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. This law firm has been providing specialized legal services concerning the complex environmental issues related to land use in Yerba Buena Center since September 1981. It is anticipated that their services will be needed in connection with the proposed Western Addition A-2 Redevelopment Plan Amendment and issues that may arise concerning Hunters Point. It is therefore proposed to amend the Agreement to include all redevelopment project areas except Rincon Point-South Beach, in which project area they represent the Port on matters involving the Agency, and to increase the contract amount by \$20,000 for a total maximum contract of \$105,000. A rate increase from \$90 per hour to \$140 per hour is proposed. The \$90 rate has been in place in excess of five years, and the new rate is considered to be reasonable by General Counsel in view of the nature of the work involved. Certain other changes will be made to bring the contract into conformity with the Agency's current standard contract language regarding conflict of interest, insurance and indemnification.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 372-86 BE ADOPTED.

- (f) Resolution No. 373-86 requests authorization to Rescind Resolution No. 343-85 authorizing a Personal Services Contract with Architectonics, Inc. for Computer Programming Services; authorization of a Personal Services Contract with Gene M. Griffith for such services; and ratifying certain payments for such services.

Mr. Hamilton reported on item (f) as follows. Since approval of the contract in November 1985, Mr. Griffith, the owner of Architectonics, has disbanded the corporation and now contracts his services under his name. Although payment has been made for services since January 1, 1986, in accordance with Resolution No. 343-85, the contract was not formally executed. This was because of the contractor's inability to obtain errors and omissions insurance as required by the contract and because of changes in State Law requiring a review of the Scope of Services to be rendered to ensure the "contractor" status was maintained. The language contained therein describing the contractor's responsibilities could have been interpreted as Architectonics, Inc. being an employee whereby the Agency would have been at risk for withholding taxes. The Scope of Services has therefore been revised to clarify this matter. Following discussions with other public agencies and the Risk Manager for the City, it is proposed to waive the requirement for errors and omissions coverage. Since the Agency has direct responsibility for the design, implementation and maintenance of all systems, it is considered that any errors and omissions would be detectable and correctable during the course of normal operations. Mr. Griffith has provided highly satisfactory services, the costs for which during 1986 have remained within budget.

A discussion ensued between the Commissioners and Executive Staff regarding the reasons for, and the legality of, contracting services rather than employing a full-time staff person.

Mr. Hamilton indicated that due to the nature of the work, contracting the services is preferable because it is cost-effective, whereas in other instances the direct control required can only be achieved under a staff basis.

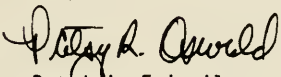
Mr. Larry Wright, Deputy Executive Director, Finance, noted that the Scope of Services in the contract had been revised to conform with the new legal requirements of the employee-versus-contractor status.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 373-86 BE ADOPTED.

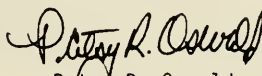
ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

*for*   
Patricia Feinsilver  
Acting Agency Secretary

EDITED BY

  
Patricia R. Oswald  
Agency Secretary

APPROVED

December 16, 1986



SF  
R35  
H4  
11/18/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
18TH DAY OF NOVEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of November, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Haig G. Mardikian

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and the following were absent:

Dorman L. Commons  
Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Prospero Asen-Loo and Justina Lee, M&L/India Basin, Inc.; Katherine Nash, Rainbow; Ocie Rogers; Paul Park.

Representing the press was: Dan Borsuk, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On November 15, the Agency's Grand Opening Festival for the Harbor was a very successful celebration. Speakers included Supervisor Molinari, Commissioner Mardikian and Port Commissioner and past Redevelopment Commissioner Anne Halsted who, along with senior staff, officially cut the ribbon for the Harbor Dedication. It was a gala affair and the celebration was a resounding success.
- (b) On November 18 another successful groundbreaking ceremony took place for the Cathedral Hill Plaza West Project being developed by Western Commercial Partnership, who will be constructing 156 new homes and approximately 60,000 square feet of commercial space at Geary and Fillmore in the Western Addition.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Board of Supervisors passed the 1987 Community Development Program on November 17. \$150,000 for the Central Relocation Services will be funded independently out of the \$1 million Mayor's setaside program to fund eligible CDBG activity not included in the basic Block Grant Program. There will be independent hearings on that and the Commission will be kept informed.
- (d) Before the Finance Committee on November 19 will be a request to adopt the statutory requirements which relate to limitations on the amount of tax increment funds and the periods of time for the establishment of indebtedness to finance the project and for the commencement of eminent domain proceedings in the various projects. That is the McCorquodale legislation and it involves India Basin, Hunters Point, Golden Gateway and Yerba Buena Center. This item, if passed, will be before the full Board on November 24 and the Commission will be informed of the outcome.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an LDA with ADCO-Folsom Associates for Parcel 3751-Q in Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 374-86 requests authorization of an LDA with ADCO-Folsom Associates (formerly Alvin Dworman, dba S.F. Development Co.) for the parcel located at the southwest corner of Third and Folsom Streets in Yerba Buena Center.

Mr. Hamilton reported on item (a) as follows. The proposed LDA provides for a maximum of 243 housing units with 220 parking spaces and ground floor retail. The performance schedule calls for submission of evidence of financing by December 8, 1987 and conveyance of the site by January 20, 1988.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 374-86 BE ADOPTED.

- (b) Resolution No. 375-86 requests authorization of an Owner participation Agreement (OPA) with the City and County of San Francisco in connection with Lot 5 in Assessor's Block 7521 located at 350 Amber Drive between Duncan Street and Turquoise Way in Diamond Heights.

Mr. Hamilton reported on item (b) as follows. This is the former Diamond Heights Elementary School which subsequently closed and the building remained vacant for ten years. In May 1985, the City and the Police Department purchased the site from the

NEW BUSINESS (continued)

San Francisco Unified School District for the purpose of converting it into a new San Francisco Police Academy. Because of planned use limitations, a variance was also granted to permit a Police Academy on the site. Rehabilitation plans were then prepared and the work commenced without the OPA. However, it was later determined that an OPA would be appropriate to ensure compliance with the Plan and require Agency review prior to any future rehabilitation. The City agreed to enter into an OPA, which has now been signed by the Police Department, Director of Property and the City Attorney. The building has been rehabilitated to meet the specific needs for the police training facility and includes a community meeting room which is open to the public during non-training hours. The \$1.9 million cost for acquisition and rehabilitation was financed through City funds.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 375-86 BE ADOPTED.

- (c) Resolution No. 376-86 requests authorization to Extend Exclusive Negotiations with BRIDGE Housing Corporation (BRIDGE) until January 13, 1987 for Morgan Heights, located adjacent to and northeasterly of Mariners Village in the vicinity of the Hunters Point Project Area.

Mr. Hamilton reported on item (c) as follows. Subsequent to re-entry into exclusive negotiations, authorized in August 1986, two extensions were granted to October 22 and November 26, 1986. It is proposed to construct sixty-three condominiums on the Agency owned parcel and twenty-eight on an adjacent Housing Authority owned parcel at an average sales price of \$93,000. BRIDGE has worked diligently to produce this much needed affordable housing. However, additional time is required to finalize the LDA and to publish the Public Hearing Notice, resulting in the requested extension.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 376-86 BE ADOPTED.

- (d) Resolution No. 377-86 requests authorization of a First Amendatory Agreement to the LDA with M & L/India Basin, Inc. for Parcel F-8(a) located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park.

Mr. Hamilton reported on item (d) as follows. The principals of M & L are Justina and Suey Wing Lee, owners of Wing Lee Electric Laundry and Prospero Asen-Loo, a real estate broker. An LDA, authorized in December 1985, provides for the construction of a building to contain an industrial laundry, to be relocated from 1464 Washington Street, and other business enterprises of the Wing Lee family. The present schedule has been met except for provision of evidence of financing. SBA financing is now being pursued which, from past experience, is expected to take 60-90

NEW BUSINESS (continued)

days to process. It is therefore proposed to extend submission of evidence of financing from November 19, 1986 to March 18, 1987 and conveyance of the site from December 17, 1986 to April 22, 1987.

Mr. Mardikian inquired as to what seemed to be the Developer's problem in obtaining conventional financing for a commercial enterprise of this nature and if India Basin is being looked upon with disfavor by lenders. Mr. Hamilton indicated that from past experience this has not been the case and there had not been any particular lender resistance, but that it was considered advantageous to seek SBA financing for this particular development. However, staff would investigate and report back to the Commission should there be any specific problem.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 377-86 BE ADOPTED.

- (e) Resolution No. 378-86 requests authorization of an Owner Participation Agreement (OPA) with Susumu and Tsuyako Seiki for 1620 Post Street, Assessor's Block 686, Lot 8, in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. The Seiki's have entered into a ten year lease with a tenant who proposes to convert the existing one-story commercial structure into a new restaurant. The Schematic Drawings submitted by CDS & Associates of Palo Alto, the architects, have been reviewed and are considered to be in compliance with the requirements of the Redevelopment Plan. The exterior facade and the interior of the building will be completely renovated, with the front facade having architectural elements that suggest pseudo-Japanese architecture. All rehabilitation work will be privately financed and in conformance with the applicable City building codes and the Agency's Rehabilitation Standards. To meet Agency requirements, five off-street parking spaces will be provided by using three existing parking spaces and two spaces in the Sokoji Temple parking lot located behind the property. Mr. Seiki has signed a ten year lease with the Temple for the use of these spaces. The performance schedule calls for completion of construction within eighteen months after commencement of construction, the timing of which is contingent upon the submission of Preliminary and Final Construction Documents and issuance of a Building Permit.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 378-86 BE ADOPTED.

- (f) Resolution No. 379-86 requests authorization of a Third Amendment to the LDA with Fillmore Center Developers for Parcels 707-A, 726-A, 731-A, 750-A, and a portion of Ellis Street, located

NEW BUSINESS (continued)

between Fillmore, Geary, Steiner and Turk Streets and Parcel 749-C located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

Mr. Hamilton noted that this Third Amendment was conditional upon receipt of certain information which is not yet in hand, and it is therefore requested that this item be continued for one week.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (f) would be continued for one week at staff request. There being no objection, it was so ordered.

- (g) Resolution No. 380-86 requests authorization of an Amendment No. 1 to the Personal Services Contract RPSB E6-SURVEYING with Martin M. Ron & Associates in connection with Rincon Point-South Beach.

Mr. Hamilton reported on item (g) as follows. The subject contract, approved in November 1984, provides for surveying services for Contract I - HARBOR which was substantially completed on October 31, 1986. The consultant also performed initial surveying for Contract II - ONSHORE which is approximately 10 percent complete, utilizing a small surplus of the initial authorization of which \$667 remains unexpended. There is an immediate need for additional survey services for Contract II - ONSHORE, estimated at \$20,000, and a future need for these services in connection with the remodeling of Pier 40 which is being designed for construction under two improvement contracts, estimated at \$17,000 and \$18,000. The total estimated cost for the three contracts is \$55,000. Martin M. Ron & Associates, a woman-owned firm, was initially selected after an open bidding process and has carried out its work competently at competitive rates and has been fully responsive to the demands of tight construction schedules. It is therefore considered to be in the best interest of the Agency to continue their services rather than at this time soliciting other proposals. The proposed Amendment will increase the contract amount by \$55,000 for a new total of \$110,000, funds for which are available from the proceeds of the harbor note sale.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 380-86 BE ADOPTED.

- (h) Resolution No. 381-86 requests authorization to Waive Section VII.A.4 of the Agency Personnel Policy to permit Advance Payment of the November 28 Paycheck on December 24, 1986.

Mr. Hamilton reported on item (h) as follows. The subject section of the Personnel Policy provides that an employee may not be paid in advance of time worked. However, because the final pay days in November and December will fall on the Friday

NEW BUSINESS (continued)

following Thanksgiving and Christmas respectively, it is proposed to issue advance paychecks as has been permitted in the past in these situations.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 381-86 BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

- (a) Resolution No. 382-86 requests authorization to Extend the Termination Date of and to Conditionally Determine not to Terminate the LDA with Young Hi Moon Park and Paul Park for 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. A Special Appearance has been requested in writing by Mr. Paul Park regarding a Termination Notice he received concerning the subject property. At the time the last extension was approved, it was the Commission's indication that they did not desire to grant any further extensions. Mr. Park now proposes Mr. Steve Grover as a partner. Written information has just been received relative to Mr. Grover's capacity to become a partner in this venture which staff has not yet had time to review. It is therefore considered appropriate to extend the termination date until December 3, 1986 to permit time to confirm and analyze this new information.

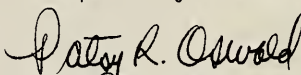
Mr. Park appeared before the Commission and requested additional time to complete partnership arrangements with Mr. Grover.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 382-86 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

January 13, 1987

SF  
R25

H4

11/25/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
25TH DAY OF NOVEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of November, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Charlotte Berk  
Dorman L. Commons  
Haig G. Mardikian

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and the following were absent:

H. Jesse Arnelle  
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Dr. Rhody McCoy, Sr. and Dr. Rhody McCoy, Jr., Future Perfect, Inc.; Susan Nakata, MOHED.

APPROVAL OF MINUTES

It was moved by Mr. Commons, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 10, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of September 16, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 23, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of October 21, 1986, as distributed by mail to the Commissioners, be approved.

## REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On November 24, the Board of Supervisors passed on first reading the statutory requirements relating to limitations on the amount of tax increment funds and the periods of time for the establishment of indebtedness to finance those projects and for the commencement of eminent domain proceedings for India Basin, Hunters Point, Golden Gateway and Yerba Buena Center. The second reading is expected to be on the Board calendar on December 1, 1986.
- (b) The Agency's office will be closed on November 27 in observance of Thanksgiving Day.
- (c) The Lord Mayor of Dublin and his delegation were briefed by Mr. Kernan and the Director on November 21 and then Patricia Feinsilver took them on a tour of some of the Agency's developments. They were favorably impressed as they reported that to the Mayor's Office.
- (d) The Annual Holiday Celebration will be held at the St. Francis Yacht Club at 5:30 p.m. on December 16.

## UNFINISHED BUSINESS

- (a) Resolution No. 379-86 requests authorization of a Third Amendment to the LDA with Fillmore Center Developers for the Fillmore Center Project in the Western Addition A-2.

Mr. Hamilton reported that this item was continued from last week's meeting at staff request. With the concurrence of the Developer, it is now requested that it be held for one more week because the necessary agreements are not yet finalized.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at staff request. There being no such objection, it was so ordered.

## NEW BUSINESS

- (a) Resolution No. 383-86 requests authorization of a Seventh Amendatory Agreement to the LDA with Future Perfect, Inc. for Parcel D, located in the block bounded by Third and Newhall Streets and Evans and Galvez Avenue in the India Basin Industrial Park.

Mr. Hamilton reported on item (a) as follows. The Developer proposes to construct Bayview Square Commercial Center at an estimated cost of \$11 million to be permanently financed by a combination of \$9.5 million tax-exempt Industrial Development

NEW BUSINESS (continued)

Bonds (IDB's), a \$542,000 UDAG and a \$840,000 land loan from the Agency. Mercury Saving and Loan Association, the intended construction lender, proposed that a limited partnership be formed which included Ssangyong Construction and Yashima Construction as general partners and Future Perfect as a limited partner which was acceptable to the Developer. However, Mercury subsequently requested a different arrangement which would not have involved Future Perfect, and that is not acceptable to the Developer. It is now considered appropriate to provide the Developer with an opportunity to arrange construction financing with another lender. However, the IDB/UDAG financing is contingent upon close of escrow by December 31, 1986, which may not be sufficient time for the new lender to have all the documents in place. It is therefore intended, upon receipt of satisfactory documentation, to calendar an assignment by Future Perfect and the two construction companies for Commission consideration on December 9, 1986. The proposed revised performance schedule extends submission of evidence of financing from October 1, 1986 to March 18, 1987 and conveyance of the site from November 5, 1986 to April 22, 1987. This schedule allows time for restructuring of financing in the event that the December 31, 1986 close of escrow date is not met, whereby the IDB/UDAG financing becomes unavailable. Staff continues to believe the Agency should support this pioneering effort which can lead to a commercial revival of the Third Street corridor.

Mr. Commons expressed concern regarding the feasibility of the project going forward in the event the IDB/UDAG commitments are lost due to the close of escrow date of December 31st not being met and it becomes necessary to seek conventional financing. He stressed that every effort should be made to assist the developer in securing a construction financing commitment before that deadline. Mr. Hamilton indicated that staff had been involved with the principals in attempting to accomplish this. In addition, recent discussions have been held with Ssangyong and Yashima who have evidenced an interest in the development of this parcel with is new and significant and their interest level is such that it could be translated into a conventionally financed undertaking. Therefore, the requested extension of time is considered to be appropriate for at least the exploration of that before the rights of the current groups elapse.

Dr. Rhody McCoy, Future Perfect, Inc., noted that staff had been most supportive in efforts to assure the IDB/UDAG commitments are retained. He reported on current negotiations with lending institutions and expressed confidence that the project will go forward.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 383-86 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 384-86 requests authorization of a Third Amendment to the Agreement for Legal Services with McCutchen, Doyle, Brown and Enersen in connection with Hunters Point and Rincon Point-South Beach.

Mr. Hamilton reported on item (b) as follows. This firm has performed legal services in several project areas, most recently in Hunters Point where the Goldrich & Kest, et al. litigation was brought to a successful conclusion. Their services were recently used under a Purchase Order in connection with a Rincon Point-South Beach matter for which project area construction and related contracts are in process. The McCutchen firm has both construction and litigation expertise and their rates are reasonable. Their services would be particularly beneficial because of a reduced availability of Agency legal staff at the present time. It is therefore proposed to amend the Hunters Point contract, under which funds of \$8,000 remain unexpended, to include services for Rincon Point-South Beach; increase the contract amount by \$25,000, for a total of \$175,000; and adjust the hourly rates, which is considered appropriate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 384-86 BE ADOPTED.

- (c) Resolution No. 385-86 requests approval of Daniel, Mann, Johnson and Mendenhall (DMJM) as the Fillmore Center Developers' Architect for the development of Parcels 726-A, 731-A, 750-A and 707-A located between Fillmore, Steiner, Geary and Turk Streets and a portion of Ellis Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. Since authorization of an LDA in November 1985, staff has been working with DMJM and the project has progressed to the Preliminary Construction Document Phase. At staff request, Tony Lumsden of DMJM was designated as the lead design architect for the project. The firm has a large, diversified practice and has demonstrated a high degree of technical competence. A significant contribution has been made by Mr. Tony Lumsden, Principal of Design, who has long been recognized by the profession as an excellent designer and architect. The LDA requires Agency approval of the architect and it is now proposed that DMJM be selected, with Tony Lumsden having local responsibility for the design as the Fillmore Center Developer's Architect.

Ms. Berk, on behalf of the Commission, wished Mr. Lumsden the best. Mr. Commons indicated his support of this item, but noted that he would prefer that staff consult with the Commission on matters of this nature before going ahead with the work. Mr. King agreed that this was a good point and requested that staff take note.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 385-86 BE ADOPTED.

- (d) Resolution No. 386-86 requests authorization to Amend Resolution No. 197-86 to provide for Modification of Condition 2 thereof, relating to pending Bankruptcy and its inclusion in Appropriate Documents relating to the development by WDG-IV Sutter/Steiner (WDG) of Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. On July 1, 1986, conditioned upon the satisfaction of certain conditions within thirty days, Resolution No. 196-86 approved the Assignment of Interest in an Existing LDA, as amended, for one parcel from Roosevelt and Altheda Carrie to WDG and Resolution No. 197-86 authorized a New LDA for the joint development of both parcels. Subsequently, time extensions were granted in August and November 1986, the most recent being to November 12, 1986 for the execution of all necessary documents by WDG and the Seventh Amendatory Agreement to the Existing LDA by the Carries. Except for Bankruptcy Court approval, the time for which was extended to January 7, 1987, the conditions of both resolutions have been met. However, the terms and conditions of the New LDA cannot be enforced until Agency execution and Resolution No. 197-86 does not permit this execution until this condition is satisfied. It is therefore considered appropriate to include the Bankruptcy Court approval condition in the New LDA as Section 9.11 and delete it from the resolution as a condition precedent.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Donald J. Gordon v. Redevelopment Agency of the City and County of San Francisco, et al.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Commons, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

*Joyce Morgan*

Joyce Morgan  
Acting Agency Secretary

APPROVED

January 13, 1987

Edited By

*Patsy R. Oswald*  
Patsy R. Oswald  
Agency Secretary



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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
2ND DAY OF DECEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of December, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
H. Jesse Arnelle  
Charlotte Berk  
Dorman L. Commons

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and the following were absent:

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Melvin D. Lee  
Haig G. Mardikian (arrived 4:20 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Essie Collins.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors voted final approval at their meeting on December 1 on the statutory requirements relating to limitations on the amount of tax increment funds and the periods of time for the establishment of indebtedness to finance the project and for the commencement of eminent domain proceedings for India Basin, Hunters Point, Golden Gateway and Yerba Buena Center.
- (b) On December 8 the Agency will hold a Special Meeting for the purpose of participating in joint public meetings and a joint public hearing with the Board of Supervisors to consider and take action on the proposed Redevelopment Plan Amendment for the Western Addition A-2.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The Finance Committee will be holding a hearing on December 3 at 1:30 p.m. to reexamine the 1986-87 budget in light of updated Federal and State revenue information and to review departments' priorities for the 1987-88 budget. Staff will be covering this item and report back.

UNFINISHED BUSINESS

- (a) Resolution No. 397-86 requests authorization of a Third Amendment to the LDA with Fillmore Center Developers for the Fillmore Center Project in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The project will be financed by the proceeds of the previously approved \$95 million bond issue with credit enhancement by the Federal National Mortgage Association (FNMA) and the additional \$30.8 million bond issue which was approved, conditioned upon approval of the Third Amendment, on November 12, 1986. It is contemplated that the construction lender will be Citicorp Real Estate, Inc. (Citicorp). FNMA, Citicorp and the Developer have requested changes to the LDA resulting in the proposed Third Amendment.

Leo Borregard, Agency General Counsel, discussed the November 14, 1986 memorandum to the Commissioners and the following additional matters were referred to and discussed, namely: (1) an amendment to Section 8.01 regarding submission of a Community Program; (2) an FNMA request that the LDA confirm non necessity for insurance condemnation proceeds; (3) expand definition of development cost; (4) methods to effect reentry after conveyance; (5) modification of Agency mortgage buy-out-rights; (6) time certain for Agency to exercise its option to purchase on conversion to condominiums and (7) possible changes in performance schedule.

Mr. Mardikian arrived at this time, 4:20 p.m.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 387-86 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 387-86 requests authorization of an Eighth Amendatory Agreement to the LDA with Essie Collins for Parcel 1126-B located on the north side of Eddy Street between Broderick and Divisadero Streets in the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. Subsequent to authorization of an LDA in November 1983 for the construction of fifteen market rate condominiums, the project has been redesigned in order to reduce costs. The building was simplified with one unit being added and the final construction documents have been approved. However, Ms. Collins is uncertain if the December 10,

NEW BUSINESS (continued)

1986 date for submission of evidence of financing can be met due to delays in negotiating a final contract, resulting in a request for a ninety day extension. The proposed revised performance schedule would extend the date for submission of evidence of financing from December 10, 1986 to March 11, 1987 and conveyance of the site from January 14 to April 15, 1987. It should be noted that the present land price of \$172,900 will expire on February 6, 1987.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 387-86 BE ADOPTED.

- (b) Resolution No. 388-86 requests authorization to Determine not to Terminate and to Conditionally extend the Absolute Conveyance Date from December 4, 1986 to March 25, 1987, to the LDA with Young Hi Moon and Paul Park for 1695-1697 Sutter Street in the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. Following authorization of an LDA in June 1984 for the rehabilitation of this two-story Victorian building, a First Amendatory Agreement provided additional time to obtain financing. However, due to failure to submit a satisfactory financing commitment, a twenty-one day termination notice was served on October 31, 1986. Since Mr. Park's appearance before the Commission at the November 18, 1986 meeting when the termination date was extended to December 3, 1986, a partnership agreement with a new equity partner, Mr. Steven Grover, has been submitted. It retains the required 51 percent interest for Mrs. Park, an A-2 Certificate Holder, with Mr. Grover holding 49 percent interest. The joint financial capacity between the Parks and Mr. Grover to undertake the project has been confirmed by staff. The proposed extension is expressly conditioned upon acceptance of a new land price within fifteen days of the absolute conveyance date of December 4, 1986. Given the addition of a new equity partner with sufficient financial capacity and the fact that all other pre-conveyance requirements have been met, the requested extension is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 388-86 BE ADOPTED.

- (c) Resolution No. 389-86 requests authorization to Determine not to Terminate and to Extend the Conveyance Date from November 15, 1986 to January 30, 1987, to the LDA with Herman and Irene Yarbrough and Lillie Collins for 1401-1405 Gough Street in the Western Addition A-2.

Mr. Hamilton reported on item (c) as follows. Following authorization of an LDA in July 1984 for the rehabilitation of this three-story Victorian as six residential condominium units, the performance schedule has been revised on a number of

NEW BUSINESS (continued)

occasions, the latest being by a Third Amendatory Agreement approved in August 1986. The submission date for evidence of financing of October 1, 1986 was not met and the LDA will terminate on December 8, 1986 unless the Commission, at a public meeting held before the end of the twenty-one day notice period, determines not to terminate the LDA. However, on November 24, 1986 a commitment letter was submitted from Time Savings & Loan for construction financing with satisfactory evidence of the equity capital needed. Additional time is required to finalize the construction contract and to obtain the necessary work permit from the City and therefore the request not to terminate the LDA and to extend the conveyance date is considered to be appropriate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 389-86 BE ADOPTED.

- (d) Resolution No. 390-86 requests authorization of a Second Amendatory Agreement to the LDA with Third Street Gateway Associates for Parcel 3752-A on the southeast corner of Third and Harrison Streets in Yerba Buena Center.

Mr. Hamilton reported on item (d) as follows. Following authorization of an LDA in May 1985 for the construction of a three-story office building with ninety-one parking spaces, a First Amendatory Agreement extended the performance schedule by approximately six months. However, the December 11, 1986 date for submission of evidence of financing cannot be met because the developer, although actively seeking tenants, has been unable to secure any firm commitments and the prospective lender has withdrawn its conditional loan commitment. Once financing is assured, it is proposed to use a fast track schedule to obtain a building permit. In view of the current poor condition of the office building market and the diligent efforts of the developer to make the project succeed, the requested six month extension is considered to be appropriate. The proposed revised performance schedule extends submission of evidence of financing from December 11, 1986 to June 10, 1987 and conveyance of the site from January 7 to July 8, 1987. The land price expired on November 7, 1986 and the new price will be delivered to the developer no later than December 8, 1986, at which time the developer will have seven days to accept or reject the new price.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 390-86 BE ADOPTED.

- (e) Resolution No. 391-86 requests authorization to Enter into Agreements with Pacific Union Dental (Pacific Union) and L.F. Winsten & Associates, Inc. (L.F. Winsten) to provide an Alternative Dental Program effective January 1, 1987.

NEW BUSINESS (continued)

Mr. Hamilton repoted on item (e) as follows. Delta Dental Service (Delta), formerly California Dental Services, has provided dental insurance since February 1984 through the Health Care Employees/Employers Dental Trust. Pacific Union's prepaid dental plan offers an attractive alternative to Delta's indemnity plan which pays a certain percentage of the dentist's charges with the employee paying the balance. Pacific Union's plan provides most covered services at no cost to the employee or dependents with only major services requiring modest co-payments. The Pacific Union plan only requires that a registered Pacific Union dentist be used. Although Delta's premiums will increase by approximately 8.3 percent effective January 1, 1987, and the new rates will be slightly higher than those of Pacific Union, they are considered to be reasonable given the fact that the plan payments to the employees over the past year have exceeded the total premiums paid by approximately 25 percent. In addition, many employees would prefer to continue using their own dentist and it is considered desirable to provide a choice of plans to best meet the employee's needs. Also, the two Union Agreements require that an indemnity plan, such as Delta's, be maintained through the term of the agreements which is through 1987. An extensive review was undertaken of a number of prepaid plans and the Pacific Union plan is found to be administered well, the panel dentists are closely monitored and the enrollee complaint level is low. In the event the Pacific Union plan is adopted, there would be an annual open enrollment period where employees could make changes without restriction between the two plans. It is therefore proposed to enter into agreements with Pacific Union and with L.F. Winsten to act as Plan Administrator. As has been granted in the past in connection with the Delta Agreements, it is proposed to authorize the Executive Director to approve future amendments to the Pacific Union Dental Agreement to adjust charges in accordance with the negotiated formula for sharing the cost of the premium between the employee and the Agency. The Commission will be informed annually of actions taken in this regard. It is considered that the Pacific Union plan will not only prove to be a cost saving to the employees and to the Agency, but will also provide a valuable option to staff.

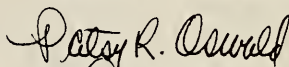
**ADOPTION:** IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 391-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Donald J. Gordon v. Redevelopment Agency of the City and County of San Francisco, et al.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on litigation. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

January 13, 1987

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
9TH DAY OF DECEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of December, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Dorman L. Commons  
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle  
Charlotte Berk (arrived 4:10 p.m.)  
Haig G. Mardikian (arrived 4:15 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Clint Smith, B. Jones, Lu Bertha Hughes, Ruby Perkins, Dorris Willoughby, Joseph R. Harris, Fred Hubbard, Geraldine Clay, Ella Ramona, Ora Leeward, Jim Tanner, Dorothy Kerr, Ethel Blazer, Norman Stewart, Ossie M. Mitchell, Robert Hunt and Hawkins Starks, W.A.S.C.C.; Jim Stratten; Moon Duck Kim, Ssangyong; Dr. Rhody McCoy, Future Perfect, Inc.; Dongwon Sohn, Yashima; Meleen Miles, PINC; James McClendon; Alan Hall, Alamo Square Historic District; Margrette L. Davis, Ella J. Rowdel, James H. Andrews and William H. Roberson, Western Addition; Katherine Nash, Rainbow; Ocie Rogers; Tony Taylor, Taylor & Associates; Anthony Moore, Bankers Trust Company.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of August 19, 1986, as distributed by mail to the Commissioners, be adopted.

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the minutes of the Regular Meeting of October 28, 1986, as distributed by mail to the Commissioners, be adopted.

### APPROVAL OF MINUTES (continued)

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting of November 4, 1986, as distributed by mail to the Commissioners, be adopted.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the Closed Session of November 25, 1986, as distributed by mail to the Commissioners, be adopted.

### REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) The Western Addition A-2 Plan Amendment was approved by this Commission and the Board of Supervisors after a joint public hearing on December 8, which amendment will now permit the Agency to request tax increment financing provisions for the A-2 project.
- (b) On December 10 the Finance Committee will consider an approximately \$46 million Bond issue for the purpose of construction financing for the SBMA development in Rincon Point-South Beach.
- (c) On December 16 the Agency will be holding their annual Christmas celebration at 5:30 p.m. at the St. Francis Yacht Club.

### NEW BUSINESS

- (a) Resolution No. 393-86 requests authorization of the Issuance, Sale and Delivery of \$23.9 million Redevelopment Agency Variable Rate Demand Refunding Bonds (Bonds), 1986 Issue A, for the South Beach Harbor Project in Rincon Point-South Beach.

Mr. Hamilton reported on item (a) as follows. In October 1986 the Agency issued its South Beach Harbor Project 1986 Bond Anticipation Refunding Note (Note) to temporarily refund the Harbor notes originally issued in November 1983. Because of the time constraint in redeeming the original notes on the next payment date of November 15, 1986, the Note was issued as a taxable security. It was purchased by Bankers Trust Company and bears interest at a floating rate equal to Bankers Trust's prime rate. The necessary documentation to refund the Note with permanent tax-exempt financing has now been prepared and will be authorized by adoption of the resolution. The Bonds will have a thirty-year term with interest only payable for the first five years. The interest rate will be a variable rate based upon Bankers Trust Company's TENR index. The terms of the Bonds provide for any bondholder to be able to tender the Bonds back to the Agency for repurchase at par on seven days notice. The ability of the Agency to fulfill this obligation, in addition to

NEW BUSINESS (continued)

credit enhancement for the transaction, is provided by a Letter of Credit issued by Mitsubishi Bank, Ltd. (Bank). Pursuant to a Reimbursement Agreement with the Bank, it agrees to purchase and hold any Bonds which Bankers Trust, acting as Remarketing Agent, is unable to remarket following exercise of the seven day option. The Bond principal amount of \$23.9 million is greater than the \$18.630 million principal amount of the Note which it refunds. The difference results from a debt service reserve refund required by the Bank in the amount of ten percent of the Bonds, one-year's funded interest, and costs of issuance of the Bonds. As is usual in Agency bond financings, the Bonds are special obligations of the Agency, repayment of which is limited to specified sources consisting primarily of net revenues from the South Beach Harbor and tax increments attributable thereto. Neither the faith or credit of the Agency nor that of the City are pledged to Bond repayment.

Ms. Berk arrived at this time, 4:10 p.m.

David Oster, Assistant Agency Counsel, indicated the following changes in the transaction since the memorandum on this subject had been sent to the Commission: The Agency can convert from a flexible rate to a fixed rate at any time upon 30 days notice, and the maximum interest rate is raised to 12 percent, rather than 10½ percent. He noted these changes are in the best interests of the Agency.

Mr. Mardikian arrived at this time, 4:15 p.m.

A discussion ensued between the Commissioners and Mr. Anthony Moore, Bankers Trust Company, regarding the interest rate.

Mr. Commons noted his concern about monitoring the interest rate and requested that staff report back and make recommendations on a ninety day basis, since he believed the Commission should be apprised of any changes.

Mr. Hamilton indicated that a Fiscal Review Committee, headed by the Deputy Executive Director, Finance, had been established in order to report to the Executive Director on a variety of fiscal concerns. In the future these reports will be passed to the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 393-86 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Assignment and Transfer of all Right, Title and Interest in the Land Disposition Agreement for Parcel D in the India Basin Industrial Park.

NEW BUSINESS (continued)

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 394-86 requests authorization to Assign and Transfer All Right, Title and Interest from Future Perfect, Inc. to Ssangyong Yashima Future Development in the LDA for the parcel located on the block bounded by Third and Newhall Streets and Evans and Galvez Avenues in the India Basin Industrial Park.

Mr. Hamilton reported on item (b) as follows. Pursuant to an LDA authorized in June 1984 with Future Perfect, Inc., it is proposed to construct Bayview Square Commercial Center at an estimated cost of \$11 million to be permanently financed by a combination of \$9.5 million tax-exempt Industrial Development Bonds (IDB's), a \$542,000 UDAG and an \$840,000 land loan from the Agency. An anticipated construction loan from Mercury Savings did not materialize when Mercury proposed conditions that were not acceptable to the Developer resulting in new construction financing being sought. The prospective construction lender has requested that a new limited partnership be formed which includes Ssangyong Construction Co. Ltd. and Yashima Construction Co. Ltd. as general partners and Future Perfect as a limited partner which it is considered will strengthen the development team. Ssangyong Construction is part of the Seoul, Korea-based Group which is one of the world's largest construction corporations. Its world-wide developments range in value from \$1.1 million to \$322.8 million and its financial resources are substantial. Yashima Construction, based in San Francisco, has been involved in a number of projects in Northern California including redevelopment areas. It is considered that the combination of Future Perfect, Ssangyong and Yashima will provide the depth of experience and resources needed to assure the completion of this development. The IDB/UDAG financings are contingent upon the close of escrow by December 31, 1986, which may not be sufficient time for the new lender to have all the documents in place. However, in the event the time lapses to take advantage of these financings, the new entity desires to pursue conventional financing. Staff continues to believe that the Agency should support this pioneering effort which can lead to a commercial revival of Third Street in the Bayview-Hunters Point Area.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 394-86 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in approving the Disposition Price and a Land Disposition Agreement for Morgan Heights Property in Hunters Point.

NEW BUSINESS (continued)

President King opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 395-86 requests authorization of an LDA with BRIDGE Housing Corporation (BRIDGE) for Morgan Heights (formerly Solomon Village) located adjacent to and northeasterly of Mariners Village in the vicinity of the Hunters Point Project Area.

Mr. Hamilton reported on item (c) as follows. It is proposed to construct sixty-three condominiums at an average sales price of \$92,000 and BRIDGE has worked diligently to produce this much needed affordable housing. The proposed performance schedule calls for submission of evidence of financing by January 13, 1988 and conveyance of the site by February 10, 1988. There are a number of design concerns which staff considers can be satisfactorily addressed during the preliminary design phase.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns which it is believed can be satisfactorily addressed during the next design phase.

Mr. Commons inquired how the Agency became involved in this, since it is not a redevelopment area, and Mr. Hamilton indicated that the Agency became involved when a companion parcel, Mariners Village, was delegated to the Agency as a development responsibility by the City.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 395-86 BE ADOPTED.

- (d) Resolution No. 396-86 requests authorization to extend Exclusive Negotiations, until May 13, 1987, with the Western Addition Senior Citizens' Center, Inc. (WASCC) for Parcel 779-B located on the south side of McAllister between Fillmore and Steiner Streets in the Western Addition A-2.

Mr. Hamilton reported on item (d) as follows. Since authorization of exclusive negotiations in June 1986 for the construction of a senior citizen's center, schematic drawings have been submitted and WASCC has raised a total of \$529,000 towards the \$1.4 million cost. During the requested extension period, WASCC will continue its fund raising efforts. In connection with the extension, WASCC has requested the opportunity to propose to the Commission a joint development of their parcel on McAllister Street with a parcel being developed by a group represented by Mr. Richard Romine. That parcel has been under consideration and staff has been developing an offering of it consistent with the Commission's instructions

NEW BUSINESS (continued)

relative to parcels in excess of 10,000 square feet. The Group would like to present an approach for a joint development of the two parcels which they believe would result in mutual benefit to all the parties and to the community.

Reverend Hubbard, WASCC, described the services the organization provides and Mr. Tony Taylor, Anticline Energy Company (AEC), introduced other persons involved in the proposed project. Mr. Jim Tanner described the development concept for developing the two sites which provides for eighty-nine units of housing with attendant parking and includes the senior citizen's center. Mr. Tanner also presented the concept drawings. Mr. Richard Romine, President, AEC, noted his support for this development.

Mr. Hamilton requested that staff be granted authority to examine this proposal further and return to the Commission with a recommendation as to whether exclusive negotiations rights should be approved.

Mr. Alan Hall, Western Addition resident, indicated his support of the proposed development but requested that the architectural design be in compatibility with the other Victorians that are now part of the Alamo Square Historical District.

After discussion, the following motion was adopted:

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT STAFF BE INSTRUCTED TO CONSIDER THE PROPOSAL THAT WAS PRESENTED AND REPORT BACK TO THE COMMISSION AS SOON AS POSSIBLE WITH A RECOMMENDATION.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 396-86 BE ADOPTED.

- (e) Resolution No. 397-86 requests authorization to extend Exclusive Negotiations, until May 13, 1987, with the Parent-Infant Neighborhood Center, Inc. (PINC) for Parcel 724-A(1) located at the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2.

Mr. Hamilton reported on item (e) as follows. Exclusive Negotiations, authorized in September 1985 for the construction of a child care center, were subsequently extended to December 10, 1986. In the interim, an administrative reorganization now leaves PINC's Executive Director available to pursue the capital fundraising campaign on a full-time basis. Commitments to date total \$240,000 of the \$1.25 million project cost. Because of the difficulty being experienced in raising money, PINC is considering building the development in two phases. The first phase would include a two-story building estimated to cost

NEW BUSINESS (continued)

\$540,000 and the second phase would add two floors estimated to cost \$710,000. During the requested extension period, this two-phased development will be explored in detail and fundraising efforts will be continued.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 397-86 BE ADOPTED.

- (f) Resolution No. 398-86 requests authorization of a Rental Agreement with P & K Trucking Company for the utilization of a portion of Parcel 732 bounded by Fillmore, Turk, Steiner and Eddy Streets in the Western Addition A-2 for the purpose of parking construction vehicles.

Mr. Hamilton reported on item (f) as follows. In August 1983 a rental agreement was authorized with P & K Trucking, a minority contractor, for utilization of a portion of the parcel bounded by Fillmore, Turk, Steiner and Eddy Streets to provide space for storage of construction materials, equipment and placement of construction trailers. P & K Trucking have worked on various projects and are long established in the Western Addition. Because the Fillmore Center Developers intend to take down all property under the LDA before the end of the year, a 30-day Notice to Vacate on December 1, 1986 was served to P & K. It is now proposed to relocate P & K from their present location to a portion of the subject parcel for truck parking only. Due to tax liens, which resulted in financial hardship to P & K, a rent reduction was approved in December 1985 which reduced the monthly rental from \$180 to \$1. This is in accordance with the Agency's policy to assist minority business enterprises. P & K has agreed to pay the delinquent rent balance of \$2,046 as soon as the IRS lien has been satisfied. The proposed tenancy would be on a month-to-month basis at a rental of \$672 per month, which rate is comparable to that charged other contractors in the Western Addition A-2. The \$1.00 per month rental will continue due to the IRS situation and will be reviewed monthly. This proposed interim use is in conformity with adopted Agency policy.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 398-86 BE ADOPTED.

- (g) Resolution No. 399-86 requests authorization to Re-appoint Wilbur W. Hamilton and Redmond F. Kernan to serve on the Governing Board of the San Francisco State Building Authority (Authority).

Mr. Hamilton reported on item (g) as follows. In December 1982 a Joint Exercise of Powers Agreement (Agreement) was authorized with the State of California which created the Authority as an entity to finance the construction of the State Office Building within the block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets in the Western Addition A-2. At

NEW BUSINESS (continued)

that time the Executive Director and Senior Deputy Executive Director were appointed to serve four-year terms as the Agency's member and alternate member, respectively, on the three-person Governing Board of the Authority. The building is now being leased to the State and is occupied primarily by the Public Utilities Commission. The four-year terms expired on December 7, 1986 and it is therefore necessary to renew them. Such re-appointments are permitted by the Agreement which limits an individual to two consecutive four-year terms.

Mr. Mardikian inquired as to the duties of the State Building Authority now that the building is completed and if it would continue to exist as the management for the building. Mr. Hamilton indicated that matters such as improvements to the building, the placement and cost of art work and the involvement of minority artists would come before the Authority which will continue in existence until and unless there is a change in relationship with the State of California under its lease as financed by the bond issue. If those bonds are not defeased, then that entity stays in place. Mr. Newman inquired whether this position should be held by the Executive Director of the Redevelopment Agency in view of Mr. Hamilton's impending retirement and if he intended to vacate the position. Mr. Hamilton replied that immediately upon his retirement Mr. Kernan, as the alternate member, would become the representative on the Authority.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 399-86 BE ADOPTED.

- (h) Resolution No. 400-86 requests authorization to extend Exclusive Negotiations, until February 11, 1987, with the Delancey Street Foundation, Inc. for Site J located in the block bounded by First and Brannan Streets and the Embarcadero in Rincon Point-South Beach.

Mr. Hamilton reported on item (h) as follows. In August 1985 exclusive negotiations were authorized for the development of 177 dwelling units and approximately 56,000 square feet of commercial space. A number of extensions were subsequently granted, with the latest being to December 10, 1986. The schematic drawings have been approved and the proposed sublease, which is being reviewed by Delancey Street and Agency attorneys, is expected to be finalized shortly. Although a public hearing is tentatively scheduled for January 6, 1987, the requested sixty day extension is considered to be appropriate to provide time for unforeseen delays.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 400-86 BE ADOPTED.

NEW BUSINESS (continued)

- (i) Resolution No. 401-86 requests authorization of a Fifth Amendment to the Agreement for Legal Services with Taylor R. Culver in connection with all Redevelopment Project Areas.

Mr. Hamilton reported on item (i) as follows. This firm has provided services since May 1983 and is currently handling two major litigation cases which are expected to continue to be quite active. Present funds are almost expended and an additional \$75,000 for a total contract amount of \$325,000 is being requested to handle these ongoing litigation cases and to pay a current billing of approximately \$9,200. The Amendment also makes certain other changes to bring the Agreement into conformity with the Agency's current standard contract provisions.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 401-86 BE ADOPTED.

- (j) Resolution No. 402-86 requests authorization of a Fourth Amendment to the Personal Services Contract for Reuse Appraisal Services with Ray Carlisle for all Redevelopment Project Areas and to include Rincon Point-South Beach.

Mr. Hamilton reported on item (j) as follows. This contract, approved in April 1983, has been amended on three occasions to authorize additional assignments. Because of an increase in the workload in Rincon Point-South Beach it is proposed to expand the contract to include that project area.

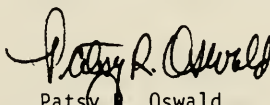
ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARK DIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 402-86 BE ADOPTED.

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Carlin Co., Inc. v. Redevelopment Agency of the City and County of San Francisco.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and Personnel. The meeting adjourned at 5:22 p.m.

Respectfully submitted,



Patsy A. Oswald  
Agency Secretary

APPROVED

January 27, 1987



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12/16/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
16TH DAY OF DECEMBER, 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of December, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Walter S. Newman, Vice President  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

H. Jesse Arnette (arrived 4:09 p.m.)  
Charlotte Berk (arrived 4:09 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; John Hunter and Bill Hagman, Hilltop Plaza Associates, Ltd.; Robert Chin.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Newman and unanimously carried that the minutes of the Regular Meeting of October 14, 1986, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Commons, and unanimously carried that the minutes of the Regular Meeting of November 12, 1986, as distributed by mail to the Commissioners, be approved.

Mr. Arnette and Ms. Berk arrived at this time, 4:09 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The second reading of the Western Addition A-2 Plan Amendment was approved on December 15 by the Board of Supervisors, which permits tax increment financing provisions for the A-2 project.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The full Board also approved an approximate \$46 million Bond issue on December 15 for construction financing for the SBMA (Site I) development in Rincon Point-South Beach.
- (c) On December 17, the Finance Committee will hold a hearing to re-examine the 1986-87 budget in light of updated Federal and State revenue information and to review departments' priorities for the 1987-88 budget.
- (d) The Agency's Christmas party will start tonight at 5:30 at the St. Francis Yacht Club.

NEW BUSINESS

- (a) Resolution No. 403-86 requests authorization to Award Site Improvement Contract No. 46 to Shooter & Butts, Inc., on basis of lowest bid received, in an amount of \$109,143 in connection with the Western Addition A-2.

Mr. Hamilton reported on item (a) as follows. The subject contract provides for the planting of 153 street trees and the installation of treewall covers on various streets throughout the Western Addition A-2. Three bids were received, with the lowest being from Shooter & Butts in an amount of \$109,143 which is twenty percent above the Engineer's Estimate. However, this difference can be attributed to significant increases in materials and installation costs that could not have been anticipated. Since an evaluation shows that this bid is reasonable and reflects current prevailing costs, it is staff's opinion that rebidding this contract would not result in a lower bid. The firm's affirmative action and safety programs have been reviewed and are considered to be satisfactory. Shooter & Butts of Mountain View, California, has performed satisfactory work for the Agency in the Hunters Point Project Area.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 403-86 BE ADOPTED.

- (b) Resolution No. 404-86 requests authorization to Award Site Improvement Contract No. 47 to Hatton Construction Co., Inc., on basis of lowest bid received, in an amount of \$44,297 in connection with the Western Addition A-2.

Mr. Hamilton reported on item (b) as follows. The subject contract provides for the construction of improvements on a portion of Hemlock Street which extends from Laguna Street westerly 150 feet to the entrance of the proposed Nihonmachi parking lot which is expected to be constructed in 1987. Three bids were received, with the lowest being from Hatton Construction in an amount of \$44,297, which is one percent above the Engineer's estimate. The bid is therefore considered to be

NEW BUSINESS (continued)

reasonable. The firm's affirmative action and safety programs have been reviewed and are considered to be satisfactory. Hatton Construction, located in Brisbane, California, has not done work for the Agency previously; however, staff has confirmed that they performed satisfactory work for other public agencies.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 404-86 BE ADOPTED.

- (c) Resolution No. 405-86 requests authorization to Extend the Date from November 30, 1986 to January 30, 1987 for the resolution of certain Design Concern for the Fillmore Center Developers' development of Parcels 726-A, 731-A, 750-A, 707-A and a portion of Ellis Street in the Western Addition A-2.

Mr. Edmund Ong, Chief of Architecture, described staff design concerns which it is believed can be satisfactorily addressed and noted that it is considered that the additional time to permit DMJM to resolve the outstanding design issues is justified.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 405-86 BE ADOPTED.

- (d) Resolution No. 406-86 requests authorization of Personal Services Contract RPSB E9-ELECTRICAL with Ray I. Juachon & Associates in an amount not to exceed \$50,000 in connection with the South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on item (d) as follows. During the construction of Contract I - HARBOR, a need to ensure that the electrical work was in accordance with contract plans and applicable electrical codes became apparent and Signet Testing Laboratories (Signet) was requested to perform these services under their Personal Services Contract RPSB E5-MATERIALS TESTING. However, they lacked appropriate staff and subcontracted Ray Juachon who performed this work from August to November 1986 at an approximate cost of \$7,500. Since the need for electrical inspection services continues for Contract II - ONSHORE and for two future improvement contracts for the construction of Pier 40, a separate contract is proposed rather than continue this third party arrangement that unnecessarily encumbers staff. The cost of these services for Contract II - ONSHORE is estimated at \$12,000 and \$38,000 for the two Pier 40 construction contracts for a total of \$50,000. Ray Juachon & Associates, which is one hundred percent minority-owned, has been found to be professionally competent and its fees are competitive with prevailing rates in the Bay Area for similar services. Payment would be based on time and materials used pursuant to annually adjustable fee schedules and services would be performed only when specifically requested. Funds are available from the proceeds of the Harbor Note sale.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 406-86 BE ADOPTED.

- (e) Resolution No. 407-86 requests authorization of a Personal Services Contract RPSB E10-STRUCTURAL with Peter Culley & Associates in an amount not to exceed \$30,000 in connection with the South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on item (e) as follows. During the design and construction of improvements for the South Beach Harbor, a need for structural engineering services beyond those being provided by the Agency's design consultants was identified. When this became apparent, expressions of interest were solicited from local and minority firms resulting in the services of Peter Culley being obtained through the Agency's consultant contract with Winzler & Kelly. The work has been performed in a highly satisfactory and timely manner and, since there is a continuing need for these services for Contract II - ONSHORE and for the planned rehabilitation of Pier 40, a separate contract is proposed in order to have an independent structural capability at the disposition of the Agency. The proposed contract amount of \$30,000 is estimated to be sufficient to cover these services through the completion of the Harbor, Pier 40 and Park improvements. Although the Agency's normal insurance requirement is \$1 million as a combined single limit for comprehensive general liability, it is staff's opinion that the Consultant's present coverage of \$500,000 is sufficient for the services to be provided. Requiring a much higher coverage could possibly result in an unnecessary financial burden and the Consultant has agreed to notify the Agency immediately of any claim, loss, damage or liability asserted against it in excess of \$50,000 and such a provision is included in the contract. Payment would be based on time and materials used pursuant to annually adjustable fee schedules and services would be performed only when specifically requested. The firm's fees are competitive with prevailing rates in the Bay Area for similar services. Peter Culley & Associates, based in San Francisco, has a present workforce of twenty-three, including five women and four minorities. In addition to the firm being found to be fully professional and responsive to the Agency's needs, its clear grasp of old maritime structures and the ability to perform effective repairs is outstanding. Funds are available from the Harbor Note Sale.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 407-86 BE ADOPTED.

- (f) Resolution No. 408-86 requests authorization of a Personal Services Contract, in an initial amount not to exceed \$20,000, with Robert F. Chinn for Computer Programming Services for the South Beach Harbor in Rincon Point-South Beach.

NEW BUSINESS (continued)

- (g) Resolution No. 409-86 requests authorization to Purchase Computer Equipment, in an amount not to exceed \$12,000, to accommodate remote site operations for the South Beach Harbor in Rincon Point-South Beach.

Mr. Hamilton reported on items (f) and (g) as follows. The current capacity of the IBM System 38, Model 200, last upgraded in November 1985, is sufficient to satisfy the Agency's data processing needs for the foreseeable future. However, it is desired to allow access to it by the new South Beach Harbor which officially opened on November 1, 1986. An active daily transient and monthly berth rental business is anticipated and an automated means of tracking these operations will provide for more efficient and effective data processing and information management for Harbor operations. Since the accounting records required for the Harbor differ substantially from the Agency's standard accounting system, to effect the requisite site office computer capability and central office system access, additional "hardware" and "software" are necessary. It is proposed to retain the services of Mr. Chin as the Computer Programmer who has a thorough knowledge of the S/38-200 technology and expertise in RPG III, the "language" of the Agency's system. The project is scheduled for completion on April 1, 1987; however, authority is being requested to utilize Mr. Chin's services thereafter as need requires with the terms and conditions of the contract to remain the same.

Mr. Newman inquired as to the hourly rate for the Computer Programmer to which Mr. Chin replied \$35.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 408-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 409-86 BE ADOPTED.

- (h) Resolution No. 410-86 requests authorization of a Second Amendment to the Owner Participation Agreement with South Beach Investments, Inc., and Forest City Bayside Corp. in connection with Site E, Block 3733, Lots 2, 3 and 4, bounded by Beale, Bryant, First and Brannan Streets in Rincon Point-South Beach.

Mr. Hamilton requested that this item be continued for one week.

RULE OF THE CHAIR: President King indicated that, subject to the objection of any Commissioner, item (h) be continued for one week at staff request. There being no such objection, it was so ordered.

NEW BUSINESS (continued)

- (i) Resolution No. 411-86 requests authorization of Exclusive Negotiations, until April 15, 1987, with Hilltop Plaza Associates, Ltd., a California Limited Partnership to be formed, for the Hunters Point II School Site, Block 4700, Lot 10 and Parcel HH-1, located on the southeasterly corner of Kiska Road and Ingalls Street adjacent to and within the Hunters Point Project Area.

Mr. Hamilton reported on item (i) as follows. Since authorization of a Real Estate Purchase Option with the San Francisco Unified School District in November 1984, exclusive negotiations with three development entities expired when the prospective developers were unable to proceed. On October 24, 1986, a proposal was submitted for a commercial shopping/retail and community service oriented center. The proposed 31,000 square foot center would include a grocery store as an anchor tenant, a drug store as a secondary tenant with the remainder to consist of various diversified services and stores of a neighborhood nature. The development team, all of whom have had extensive experience in the development of shopping centers, is comprised of Mr. John Hunter, Real Estate Broker and Developer; Mr. Bill Hagman, AIA, Architect and owner of the Hagman Group, Inc.; Mr. Steven Coates, Certified Property Manager; and Ms. Kim Fraser, Marketing Coordinator. The Agency has created a solid residential neighborhood and there is a great need for the close proximity of this type of community services for which residents presently have to travel long distances.

Mr. Borregard, Agency General Counsel, indicated that in view of the fact that the entity does not yet exist, it is proposed to modify the resolution whereby exclusive negotiations would be entered into with an individual member of the development team to act on behalf of the Developer.

Mr. James Wilson, Project Director, Hunters Point, introduced Mr. John Hunter and Mr. Bill Hagman.

Mr. Newman noted that this is a very important project for the City and inquired if any retail tenants had been contacted to see if there is substantial interest. Mr. Hunter indicated that he had not personally contacted any potential tenants, however, it was his understanding from previous prospective developers, and Agency staff, there has been substantial interest expressed in the site from retail tenants. The only concern is the degree of rent that may be possible for the site.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 411-86 BE ADOPTED AS MODIFIED BY MR. BORREGARD.

NEW BUSINESS (continued)

- (j) Resolution No. 412-86 authorization of a Second Amendment to the Agreement for Professional Services with Barton-Aschman Associates, Inc. to provide additional services in connection with the Preparation of Alternative Parking Solutions for Yerba Buena Gardens (Gardens) in Yerba Buena Center.

Mr. Hamilton reported on item (j) as follows. In February 1982 this firm was contracted to prepare the Transportation Management Plan for the entire YBC Project, including the Central Blocks. With the small amount of unexpended funds within the existing contract, a traffic circulation impact analysis of the proposed expansion of the Moscone Convention Center and the relocation of 1,250 parking spaces for the Gardens has been completed. Additional services are now necessary to clearly define and evaluate alternative parking solutions for the Gardens that are acceptable to both the Agency and Olympia & York/Marriott. Since insufficient funds remain in the existing contract, it is proposed to: increase the amount payable by \$12,000 for a total contract amount of \$37,200; expand the Scope of Services; extend the term; and amend certain sections to bring the contract into conformity with current Agency requirements for Personal Services Contracts. This firm has provided excellent consultant support and technical advice and this type of parking analysis closely parallels the work activities contained in the present contract. As in the original contract, Errors and Omissions Insurance is not required in this Second Amendment because the nature of the professional services to be provided by the Contractor is such that professional liability insurance is not necessary to protect the Agency.

Ms. Berk inquired regarding the expenditure of funds of the Traffic Circulation Impact Analysis and its conclusion. Mr. Thomas Conrad, Chief, Planning and Programming, replied that this was an analysis to determine whether the existing Environmental Impact Report covered the environmental effects of relocating 1,250 parking spaces from CB-2 to the Fifth and Mission garage and it was concluded that it is adequately covered by the existing report.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 412-86 BE ADOPTED.

- (k) Resolution No. 413-86 requests authorization to Reprogram Funds for Architectural Services Contracts in connection with the expansion of the Moscone Convention Center in the Central Blocks of Yerba Buena Center.

Mr. Hamilton reported on item (k) as follows. In April 1986 contracts were authorized amounting to \$50,000 with Mitchell/Giurgola, Maki & Associates and James Stewart Polshek & Partners for analysis of the Moscone Convention Center expansion under

NEW BUSINESS (continued)

Central Block 2 prepared by the architectural firm of HOK. Additional amounts of \$120,000 and \$15,000 were subsequently authorized to develop an alternative design concept to better accommodate the Convention Center expansion and the cultural buildings and to provide comments on the proposed design for the CB-2 Convention Center meeting rooms. All work under these contracts has been completed and invoices submitted in a total amount of \$184,532.44, \$78,348 of which is expected to be reimbursed by the Chief Administrative Officer. The amount billed by Maki & Associates is \$13,486 less than the amount authorized under that contract while the amounts billed by the other two firms exceed the contract amounts authorized by \$13,018.44. It is therefore proposed to reprogram the unexpended funds from the Maki contract to pay for the services of the Polshek and Mitchell/Giurgola firms by decreasing the Maki contract and increasing the other two contracts.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 413-86 BE ADOPTED.

- (1) Resolution No. 414-86 requests authorization to Expend Funds, not to exceed \$12,000, for the Recruitment of a new Executive Director for the Agency.

Mr. Hamilton reported on item (1) as follows. For reason of retirement, effective January 30, 1987, it is necessary to proceed expeditiously with the selection of a new Executive Director. It is proposed to conduct a nation-wide search, the cost for which is not expected to exceed \$12,000.

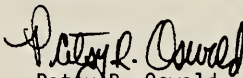
Ms. Berk inquired if approval of the expenditure being requested was for advertising costs only, to which Mr. Hamilton replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 414-86 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session on Personnel. The meeting adjourned at 4:35 p.m.

Respectfully submitted,

  
Patsy R. Oswald  
Agency Secretary

APPROVED

January 27, 1987

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12/23/86

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
23RD DAY OF DECEMBER 1986

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of December, 1986, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President  
Dorman L. Commons  
Melvin D. Lee  
Haig G. Mardikian

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and the following was absent:

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H. Jesse Arnelle (arrived 4:12 p.m.)  
Charlotte Berk (arrived 4:10 p.m.)  
Walter S. Newman, Vice President

The President declared a quorum present.

Redmond F. Kernan, Senior Deputy Executive Director, and staff members were also present.

Also present were: Ocie Rogers; George Remsberg, SBMA, Ltd.; Joseph Coomes, McDonough, Holland & Allen.

REPORT OF THE EXECUTIVE DIRECTOR

Senior Deputy Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) The Agency's office will be closed on Christmas Day, December 25th. However, the office will be open for business on December 26, 1986.
- (b) There will not be a regular meeting on December 30. The next regular meeting will be held on January 6, 1987.
- (c) Mr. Kernan noted that he was substituting for Mr. Hamilton who is in negotiations concerning the Fillmore Center Developers' project.

## UNFINISHED BUSINESS

- (a) Resolution No. 410-86 requests authorization of a Second Amendment to the Owner Participation Agreement (OPA) with South Beach Investments, Inc. and Forest City Bayside Corp., for Site E, Block 3733, Lots 2, 3 and 4, located in the block bounded by Beale, Bryant, First and Brannan Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. Bayside Village, a residential development of approximately 841 dwelling units, will be financed by the proceeds of previously approved bond issues in the amount of \$80 million. The Owner's repayment obligations are secured by irrevocable letters of credit issued by Bankers Trust Company (Bank) secured by First Deeds of Trust and Second Construction Deeds of Trust. The Bank has requested certain changes in the OPA which add lender protection language which contains certain conditions and options in the event of foreclosure and a provision requiring the Owner to pay the Agency certain fees in connection with the issuance of its bonds if subordinated deeds of trust are executed. The Agency would then, if requested, execute a subordination agreement to protect the Bank's priority. Other changes govern the Bank's or its transferee's right to notice and cure of default, and such extensions of time as may be necessary to obtain acquisition of the Site or to comply with bankruptcy court or other judicial stays. The proposed Second Amendment also authorizes the Executive Director to make such non-material changes as are necessary in the Agency's interest. Such approval is conditioned upon receipt, by the end of the year, of approved Deeds of Trust, Personal Guarantees and other adequate security for the Owner's repayment of Agency fees for issuance of the bonds.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 410-86 BE ADOPTED.

## NEW BUSINESS

- (a) Resolution No. 415-86 requests authorization to Pay a Fee, not to exceed \$5,000, to the Department of Public Works (DPW) regarding the Vacation of Fremont Street between the Embarcadero and Brannan Street in Rincon Point-South Beach.

Mr. Kernan reported on item (a) as follows. The Delancey Street Foundation, who propose to develop 177 units of housing and 56,000 square feet of commercial space, anticipate starting construction in March 1987, requiring the vacation of a portion of Fremont street, which will take approximately three months to complete. Although the customary fee for vacation processing is \$2,500, \$5,000 is being requested in terms of authority to cover any additional fees that may be required by the DPW in accordance with the Board of Supervisors Ordinance 390-81 and any other unanticipated expenditures.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 415-86 BE ADOPTED.

Ms. Berk arrived at this time, 4:10 p.m.

- (b) Resolution No. 416-86 requests Amendment of the Conditional Approval of the Preliminary Construction Documents for SBMA, Ltd.'s development on Block 3789, Lots 26 and 27, located on the north side of Townsend Street between Colin P. Kelly, Jr. and First Streets in Rincon Point-South Beach.

Mr. Kernan reported on item (b) as follows. Following conditional approval of an Owner Participation Agreement (OPA) and the Design Concept with Richard J. Nathan for a 414 unit rental development, a revised OPA was authorized in December 1985 with SBMA, Ltd., a California limited partnership formed by Richard Nathan to implement the proposed development. Conditional approvals of the Schematic Drawings and the Preliminary Construction Documents were granted in May and August 1986 respectively. However, that design approval required an agreement between SBMA and the developer for the adjacent Oriental Warehouse (Warehouse) to have their architect, Fischer-Friedman Associates, who is designing both projects, develop a joint use driveway off of First Street and eliminate the hedgerow of trees and chainlink fence which bisects longitudinally this important open space between the two projects. Because of a substantial shortfall in the total amount of money required to proceed with the project, development of the Oriental Warehouse is uncertain. Thus, SBMA and their lender are unwilling to proceed with the housing project unless the condition is removed for a joint-use driveway. Given the uncertainties of the Oriental Warehouse, staff believes that the condition should be removed. However, since staff believes that the area between the two projects should be developed as a common, integrated open space, rather than two separate spaces, it is recommended that SBMA be required to submit by January 30, 1987, a revised design for their area which has the potential to be an integrated part of the entire open space.

Mr. George Remsberg, representing SBMA, Ltd., noted that Mr. Kernan had stated the situation fairly clearly; however, there is a problem in agreeing to provide a plan by January 30, 1987, in the absence of the knowledge of what the Oriental Warehouse is specifically going to be. Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that staff had been working with the developer in trying to devise a plan for this area but, to date, this has not been accomplished. The purpose of the January 30, 1987 deadline is to make it a matter of urgency between both parties to try to resolve this issue.

NEW BUSINESS (continued)

The Commissioners were concerned that the condition for a joint use driveway was being removed as they found it to be a desirable design solution. Mr. Cannizzaro indicated that this was because of the uncertainty of what will happen to the Oriental Warehouse and the reluctance of SBMA and their lender to proceed with the development unless the condition is removed.

Mr. Arnelle arrived at this time, 4:12 p.m.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 416-86 BE ADOPTED.

- (c) Resolution No. 417-86 requests authorization of a Third Amendment to the Agreement for Legal Services with John D. Rogers (formerly the law firm of Rogers, Vizzard & Tallett) in connection with Rincon Point-South Beach.
- (d) Resolution No. 418-86 requests authorization of a Second Amendment to the Agreement for Legal Services with Alice M. Beasley in connection with Rincon Point-South Beach.

Mr. Kernan reported on items (c) and (d) as follows. Mr. Rogers has been providing services in connection with condemnation of real property since April 1980 and, pursuant to an arrangement structured by staff at the inception of this contract, Mr. Rogers has agreed to work with and supervise Ms. Beasley, a minority attorney with the law firm of Erickson, Beasley & Hewitt. Utilization of services under these Agreements has been minimal but it is now anticipated that substantial legal advice and consultation will be needed in addition to potential condemnation litigation in Rincon Point-South Beach. It is therefore proposed to increase the Rogers' contract by \$25,000 and the Beasley contract by \$15,000 which will bring the total compensation to \$45,000 and \$23,000 respectively. Effective December 1, 1986 it is also proposed to increase the hourly rates, which have not been amended for several years and still remain reasonable. Certain other administrative changes will also be made to bring the language into conformity with the Agency's current standard contract language regarding Conflict of Interest, Insurance and Indemnification.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 417-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 418-86 BE ADOPTED.

- (e) Resolution No. 419-86 requests authorization of a Second Amendment, which increases the amount payable by \$3,748.30, to the Agreement for Personal Services with Lynn Sedway & Associates in connection with the Western Addition A-2.

NEW BUSINESS (continued)

- (f) Resolution No. 420-86 requests authorization of a Second Amendment, which increases the amount payable by \$163.82, to the Agreement with Steefel, Levitt and Weiss in connection with the Western Addition A-2.

Mr. Kernan reported on items (e) and (f) as follows. Both Amendments are to cover final billings in connection with expert consultation and testimony in the Emeric-Goodman Associates litigation, which has now been settled. Two of the four Agreements authorized in connection with this litigation have been closed. However, there are insufficient funds in the two subject Agreements to make reimbursement in full. The proposed Second Amendments will cover the final billings and the Agreements will then be closed.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 419-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. COMMONS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 420-86 BE ADOPTED.

- (g) Resolution No. 421-86 requests authorization to Consent to the Substitution of O&Y (U.S.) Development Company, L.P. for O&Y (U.S.) Development Corp. under the substituted Disposition and Development Agreement (DDA) Guaranty, Hotel Lease Guaranty and related documents pertaining to Yerba Buena Gardens in Yerba Buena Center.

Mr. Kernan reported on item (g) as follows. O&Y is requesting this action prior to the end of the year to accomplish a system-wide restructuring under the new tax laws. There will be no substitution of the developer and no elimination of the guarantee, but merely a change in the form and name of the guarantor from a corporation to a partnership. This partnership (for convenience herein called DEVCO) will receive substantially all of the assets of O&Y (U.S.) Development Corp. The Agency will receive assurances that DEVCO will assume all of the liabilities of the prior guarantor under the existing DDA guaranty and Hotel Lease Guaranty and that new guarantees will be supplied. A minor adjustment will be made in Section 9.02(g) of the DDA regarding stock whereby O&Y (U.S.) Development Corp. will own not less than 50 percent of an interest through its subsidiaries. The consent of the City to this substitution in form and name will also be requested.

Mr. Commons requested an assurance from Legal Staff that there is no substantive change. David Oster, Assistant Agency Counsel, said that that was his understanding, but deferred to Mr. Joseph Coomes, who is representing the Agency in this matter, to report on this item.

NEW BUSINESS (continued)

Mr. Coomes indicated that there is no material adverse change in the restructuring of the guarantor from a corporation to a partnership. Substantially all of the assets are being transferred to the partnership to act as the guarantor who, under the documents, is required to have a net worth of at least \$300 million.

Mr. Lee noted that no figure is mentioned in the resolution and inquired regarding notification should there be a decrease in the net worth. Mr. Coomes indicated that the figure is not in the resolution because it is contained in the DDA itself and in the guarantee which requires a form of notification if there is any material change in the net worth.

Mr. Arnelle inquired if there is any condition that the net worth has to be continued, to which Mr. Coomes replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 421-86 BE ADOPTED.

- (h) Resolution No. 422-86 requests authorization of a First Amendment to a Letter Agreement with the City and County of San Francisco which provides for services of an Agency employee to the Mayor's Office of Community Development (OCD).
- (i) Resolution No. 423-86 requests Conditional authorization of a Letter Agreement with the City and County of San Francisco to provide the services of an Agency employee to OCD.

Mr. Kernan reported on items (h) and (i) as follows. This Letter Agreement will continue a work order arrangement to provide the services of Mr. Martin Gustavson, who currently fills the position of Deputy Director for Fiscal Management, to OCD for the 1987 Community Development year. OCD was established in 1972 in anticipation of consolidating HUD categorical programs and requiring the Mayor to be directly responsible and accountable for the use of Community Development Block Grant funds. For purposes of staffing OCD, a work order arrangement was authorized to allow Agency employees to be on a leave of absence and to continue their participation with the State Retirement System. Mr. Gustavson's classification and salary level are established by the Agency upon instruction from the City as to the appropriate level and the Agency will be fully reimbursed for Mr. Gustavson's actual salary and benefits. The Agency will be indemnified by the City for any liability incurred as a result of his services. The proposed First Amendment will amend the 1986 Letter Agreement by increasing the amount payable by \$2,320 or from \$79,065 to \$81,385, which represents the amount of salary and fringe benefit costs that were beyond that originally projected under the Agreement. Mr. Gustavson is now eligible for retirement and his terminal pay entitlement could be as large as

NEW BUSINESS (continued)

\$40,000, for which the Agency has no funds and for which staff believes the City should assume formal responsibility. It is therefore proposed to include a provision that the City reimburse the Agency for all payments which would be made to Mr. Gustavson for all "terminal pay" earned since July 1, 1973 in the event he separates during the contract term and there are insufficient funds remaining in Federal funds of \$89,090 set aside in OCD's administrative budget to satisfy the terminal pay entitlement. OCD agrees that this liability is their responsibility. However, since no appropriation for this terminal pay was included, the proposed Letter Agreement is subject to satisfactory resolution of the terminal pay issue.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 422-86 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 423-86 BE ADOPTED.

- (j) Resolution No. 424-86 requests authorization of a First Amendment to the Agreement for Courier Services with On-Target Delivery Service.

Mr. Kernan reported on item (j) as follows. The proposed Amendment will extend the term of the contract by one year, through February 14, 1988; increase the basic monthly Scope of Services compensation from \$1,000 to \$1,100; and will allow a \$3,500 advance from non-CDBG funds against the contract compensation to allow the purchase of Comprehensive General Liability (CGL) insurance. The insurance requirements were set at \$1 million combined single limit (CSL) for Automobile Liability and \$100,000 CSL for Comprehensive General Liability which levels provide adequate protection for the Agency considering the nature of the services to be provided. However, the renewal of these policies has resulted in an approximate 16 percent increase in premiums over the last year and because the owner is in Chapter 13 Bankruptcy, the insurance company is unwilling to finance the premiums for the CGL insurance which must be made before December 26, 1986. The Chapter 13 bankruptcy trustee has provided a letter advising that there is no objection to the Agency advancing the \$3,500 to be repaid over the next three and a half months from basic contract payments. In view of the demonstrated high level of reliable service provided by On-Target over the years, staff believes that there is little risk associated with the advance of the contract amount. It is also in accordance with the Agency's commitment to support minority-owned business enterprises.

Mr. Adolphe Philoxene, owner of On-Target, responded to questions from Mr. Commons regarding his arrangement with the Bankruptcy Court.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 424-86 BE ADOPTED.

- (k) Resolution No. 425-86 requests authorization for Helen Sause, Project Director, Yerba Buena Center, Thomas Conrad, Chief, Planning, and James Wilson, Project Director, Hunters Point, to attend the NAHRO Bi-Chapter Conference, January 24-26, 1987, at Monterey, California, at a cost not to exceed \$750.

Mr. Kernan reported on item (k) as follows. Ms. Sause would attend in her capacity as NAHRO Senior Vice President and would address the Opening General Session on national issues. Mr. Wilson and Mr. Conrad would attend in their capacity as Northern California Board Members and Mr. Wilson would participate in the "Affordable Housing Production" session. The workshop program includes a number of workshop sessions that are significant and of importance to the Agency and the participation in the Conference of these attendees is therefore considered to be appropriate. Cost to the Agency, including registration fees, travel, meals and hotel accommodations, will not exceed \$750.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 425-86 BE ADOPTED.

President King announced that there will be a Closed Session on the subject of real property negotiations pursuant to Government Code Section 54956.8. The real property is a portion of Development Site G, Parcel 3774-18, located at the southwest corner of First and Federal Streets, in the Rincon Point-South Beach Redevelopment Project Area. The entities with whom the Agency's negotiator may negotiate are Adam Bianchi & Sons, Inc. and Paul Enterprises. The meeting will then reconvene to take up item (l).

The meeting adjourned to a Closed Session at 5:00 p.m. and reconvened at 5:50 p.m.

- (l) Resolution No. 426-86 requests authorization to make an Offer of Just Compensation for Parcel 3774-B located at the southwest corner of Federal and First Streets in Rincon Point-South Beach.

Robin Donoghue, Senior Staff Attorney, noted that it is proposed to change the final paragraph of the resolution provided to the Commission to read "that staff is authorized to make an offer of just compensation in accordance with staff approved appraisals, said offer being conditioned on the Agency's ratification thereof by execution of a contract for acquisition or adoption of a resolution of necessity, or both."

ADOPTION: IT WAS MOVED BY MR. COMMONS, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 426-86 BE ADOPTED AS AMENDED.

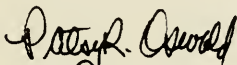
NEW BUSINESS (continued)

President King announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Carlin Co., Inc. v. Redevelopment Agency of the City and County of San Francisco. There will also be a closed session on personnel.

ADJOURNMENT

It was moved by Mr. Commons, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a Closed Session on litigation and personnel. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Patsy R. Oswald  
Agency Secretary

APPROVED

January 27, 1987









